



FEDERAL REGISTER

Vol. 90

Thursday,

No. 198

October 16, 2025

Pages 48295–48334

OFFICE OF THE FEDERAL REGISTER



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DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

31 CFR Part 1010

RIN 1506-AB68

Imposition of Special Measure Regarding Huione Group, as a Foreign Financial Institution of Primary Money Laundering Concern

AGENCY: Financial Crimes Enforcement Network (FinCEN), Treasury.

ACTION: Final rule.

SUMMARY: FinCEN is issuing this final rule to prohibit covered U.S. financial institutions from opening or maintaining a correspondent account for, or on behalf of Huione Group, a foreign financial institution based in Cambodia found to be of primary money laundering concern pursuant to section 311 of the USA PATRIOT Act. The rule further requires covered financial institutions to apply special due diligence to their foreign correspondent accounts that is reasonably designed to guard against the use of such accounts to process transactions involving Huione Group.

DATES: This final rule is effective November 17, 2025.

FOR FURTHER INFORMATION CONTACT: FinCEN's Regulatory Support Section at www.fincen.gov/contact.

SUPPLEMENTARY INFORMATION:

I. Background

A. Statutory Provisions

Section 311 of the USA PATRIOT Act (section 311), codified at 31 U.S.C. 5318A, grants the Secretary of the Treasury (Secretary) the authority to make a finding that “reasonable grounds exist for concluding” that any of the following “is of primary money laundering concern:

- A jurisdiction outside of the United States;

- One or more financial institutions operating outside of the United States;
- One or more classes of transactions within, or involving, a jurisdiction outside of the United States; or
- One or more types of accounts.”¹

Upon making such a finding, the Secretary is authorized to require domestic financial institutions and domestic financial agencies to take certain “special measures.”² The five special measures set out in section 311 are safeguards that may be employed to defend the U.S. financial system from money laundering and terrorist financing risks. The Secretary may impose one or more of these special measures to protect the U.S. financial system from such threats. Through special measures one through four, the Secretary may impose additional recordkeeping, information collection, and reporting requirements on covered domestic financial institutions and domestic financial agencies—collectively, “covered financial institutions.”³ Through special measure five, the Secretary may “prohibit, or impose conditions upon, the opening or maintaining in the United States of a correspondent account or payable-through account” for or on behalf of a foreign banking institution, if such correspondent account or payable-through account involves the foreign financial institution found to be of primary money laundering concern.⁴

Before making a finding that reasonable grounds exist for concluding that a financial institution outside of the United States (or other jurisdiction, account, or class of transactions) is of primary money laundering concern, the

¹ 31 U.S.C. 5318A(a)(1).

² On October 26, 2001, the President signed into law the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 (USA PATRIOT Act). Title III of the USA PATRIOT Act amended the anti-money laundering (AML) provisions of the Bank Secrecy Act (BSA) to promote the prevention, detection, and prosecution of international money laundering and the financing of terrorism. The BSA, as amended, is the popular name for a collection of statutory authorities that FinCEN administers that is codified at 12 U.S.C. 1829b, 1951-1960 and 31 U.S.C. 5311-5314, 5316-5336, and includes other authorities reflected in notes thereto. Regulations implementing the BSA appear at 31 CFR Chapter X.

³ 31 U.S.C. 5318A(b)(1)-(4). The term “covered financial institution” has the same meaning as provided at 31 CFR 1010.605(e)(1); see *infra* section IV.A.3.

⁴ 31 U.S.C. 5318A(b)(5).

Secretary is required to consult with both the Secretary of State and the Attorney General.⁵ In addition, in the case of a decision to apply one or more of the special measures, in making a finding that reasonable grounds exist for concluding that a financial institution outside of the United States is of primary money laundering concern, the Secretary is required to consider such information as the Secretary determines to be relevant, including the following potentially relevant institutional factors:

- The extent to which such a financial institution is used to facilitate or promote money laundering in or through a jurisdiction outside the United States, including any money laundering activity by organized criminal groups, international terrorists, or entities involved in the proliferation of weapons of mass destruction (WMD) or missiles;
- The extent to which such a financial institution is used for legitimate business purposes in the jurisdiction; and
- The extent to which such action is sufficient to ensure, with respect to transactions involving the jurisdiction and institutions operating in the jurisdiction, that the purposes of section 311 continue to be fulfilled, and to guard against international money laundering and other financial crimes.⁶

In selecting one or more special measures, the Secretary “shall consult with the Chairman of the Board of Governors of the Federal Reserve System, any other appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act), the Secretary of State, the Securities and Exchange Commission, the Commodity Futures Trading Commission, the National Credit Union Administration Board, and in the sole discretion of the Secretary, such other agencies and interested parties as the Secretary may find appropriate.”⁷ When imposing special measure five, the Secretary must do so “in consultation with the Secretary of State, the Attorney General, and the Chairman of the Board of Governors of the Federal Reserve

⁵ 31 U.S.C. 5318A(c)(1).

⁶ 31 U.S.C. 5318A(c)(2)(B)(i)-(iii). In addition, in the case of a finding relating to a particular jurisdiction, section 311 sets out certain “jurisdictional factors” that the Secretary may consider, which are not relevant here. See 31 U.S.C. 5318A(c)(2)(A)(i)-(vii).

⁷ 31 U.S.C. 5318A(a)(4)(A).

System.”⁸ In addition, the Secretary is required to consider the following factors:

- Whether similar action has been or is being taken by other nations or multilateral groups;
- Whether the imposition of any particular special measure would create a significant competitive disadvantage, including any undue cost or burden associated with compliance, for financial institutions organized or licensed in the United States;
- The extent to which the action or the timing of the action would have a significant adverse systemic impact on the international payment, clearance, and settlement system, or on legitimate business activities involving the particular jurisdiction, institution, class of transactions, or type of account; and
- The effect of the action on United States national security and foreign policy.⁹

The authority of the Secretary to administer the Bank Secrecy Act (BSA) and its implementing regulations, including the authority under section 311 to make such a finding and to impose special measures, has been delegated to the Director of FinCEN.¹⁰

B. Huione Group

Huione Group¹¹ is a financial services conglomerate based in Phnom Penh, Cambodia.¹² Huione Group is the

⁸ 31 U.S.C. 5318A(b)(5).

⁹ 31 U.S.C. 5318A(a)(4)(B)(i)–(iv).

¹⁰ See Treasury Order 180–01 (Jan. 14, 2020).

¹¹ Huione Group is the parent company of several subsidiaries and components, including Haowang Guarantee, Huione Pay PLC, and Huione Crypto. FinCEN assesses that this grouping of exchange services operates as a coordinative collective, and for that reason, FinCEN will correspondingly refer to the collective as the “Huione Group.”

¹² Cambodia Corporate Registry, “Huione” Search, <https://www.businessregistration.moc.gov.kh/cambodia-master/service/create.html?targetAppCode=cambodia-master&targetRegisterAppCode=cambodia-br-companies&service=registerItemSearch> (last accessed Oct. 7, 2025); Huione Pay, *Index*, formerly available at <https://www.huionepay.com.kh/index/help>; Huione Group, *About*, which is no longer accessible and will be discussed later in this section, formerly available at <https://huione.com/html/about.jsp> (last accessed Sept. 24, 2024). Huione Crypto has numerous job announcements with a work location in Phnom Penh, Cambodia. See Huione Crypto, *Career Opportunities*, formerly available at <https://www.huione.io/en-US/careerOpportunities> (last accessed Mar. 27, 2025). Haowang Guarantee also lists job announcements with a work location in Phnom Penh, Cambodia. See Haowang Guarantee, *About*, formerly available at <https://www.hwdb.la/about/> (last accessed Mar. 27, 2025). This information was previously available as of the issuance of the NPRM, however, it has since been removed by Haowang Guarantee, resulting in a “page not found” error. FinCEN assesses that this change is more likely than not caused by negative public attention following a series of reports by blockchain analytic firms on money laundering occurring at Huione Group.

parent company of, or otherwise controls, several subsidiaries, affiliates, and components—including, but not limited to: Haowang Guarantee, Huione Pay PLC, and Huione Crypto (the “Components”)—that coordinate to provide services that are useful for money laundering and carrying out cyber scams. FinCEN assesses that, as discussed below, Huione Group and its Components operate as a coordinated collective, and for that reason, FinCEN will correspondingly refer to Huione Group and its Components as the “Huione Group.”

Although it was originally incorporated in Hong Kong in 2018 as Huione Group Limited, Huione Group, the controlling entity of the conglomerate, does not appear to be registered as a business in any jurisdiction,¹³ and several of Huione Group’s Components have been registered outside of Cambodia. Nevertheless, Huione Group’s website is registered¹⁴ to an individual with a listed location of Phnom Penh, Cambodia and Huione Group’s operations are principally carried out in Cambodia.

For years, Huione Group has laundered illicit proceeds from cybercrimes—namely, cyber heists carried out by the Lazarus Group,¹⁵ an entity sanctioned by Treasury’s Office of Foreign Assets Control (OFAC)—and Convertible Virtual Currency (CVC) investment scams carried out by transnational criminal organizations (TCOs) based in Southeast Asia.¹⁶

II. FinCEN’s Section 311 Rulemaking Regarding Huione Group

In a notice of proposed rulemaking (NPRM) published in the **Federal Register** on May 5, 2025, FinCEN found that reasonable grounds exist for concluding that Huione Group is a

¹³ Hong Kong Companies Registry, *Huione Group Limited*, at p. 54, https://www.cr.gov.hk/docs/wrpt/RNC063_2018.12.17-2018.12.23.pdf.

¹⁴ The registration is valid through June 3, 2026. See ICANN, *Huione.com*, <https://lookup.icann.org/en/huione.com> (last accessed Oct. 7, 2025).

¹⁵ The Lazarus Group is an agency, instrumentality, or controlled entity of the government of the Democratic People’s Republic of Korea, that has stolen large volumes of Convertible Virtual Currency in numerous and often widely reported cyber heists. On September 13, 2019, the Lazarus Group was sanctioned by OFAC. See Department of the Treasury, Press Release, *Treasury Sanctions North Korean State-Sponsored Malicious Cyber Groups*, (Sept. 13, 2019), <https://home.treasury.gov/news/press-releases/sm774>.

¹⁶ These scams are also referred to as “pig butchering.” See FinCEN, FIN–2023–Alert005, *FinCEN Alert on Prevalent Virtual Currency Investment Scam Commonly Known as “Pig Butchering”* (Sept. 8, 2023), https://www.fincen.gov/sites/default/files/shared/FinCEN_Alert_Pig_Butchering_FINAL_508c.pdf.

foreign financial institution of primary money laundering concern pursuant to 31 U.S.C. 5318A.¹⁷

As described in the NPRM, since its establishment, Huione Group has set up a network of businesses, each playing a different role in its money laundering enterprise. However, FinCEN’s analysis of Huione Group has identified the sharing of CVC infrastructure by Huione Group’s constituent entities, indicating that the entities, including the controlling entity Huione Group, are functionally operating as one and the same, despite the various branding. Because Huione Group shares CVC infrastructure, the structure makes it challenging to ascertain the specific Component involved in any particular transaction.

The overall Huione Group network offers services ranging from an online marketplace selling items useful for carrying out cyber scams to money laundering services that accept both fiat currencies and CVC. Huione Group has also created its own stablecoin, a type of CVC that is usually backed by a pre-determined quantity of fiat currency, most often the U.S. dollar (USD). The stablecoin, “USDH,” which is a ticker symbol for “U.S. Dollar Huione,” is pegged to the USD at a one-to-one ratio and is represented as a stablecoin that cannot be frozen.¹⁸ In contrast, many stablecoin issuers develop their stablecoins to retain the ability to freeze funds, which they have sometimes done in cases of known criminal activity, or at the request of law enforcement. Because Huione Group claims that USDH cannot be frozen, this service offers Huione Group’s clientele a virtually risk-free ecosystem to move or store CVC without the possibility of interception or “freezing” by law enforcement.

Indeed, much of the illicit revenue laundered through Huione Group originates from well-documented criminal activity, and numerous publicly available reports describe the failings of Huione Group’s anti-money laundering/know your customer (AML/KYC) program. Despite these reports and Huione Group’s public

¹⁷ FinCEN, *Special Measure Regarding Huione Group, as a Foreign Financial Institution of Primary Money Laundering Concern*, 90 FR 18934 (May 5, 2025).

¹⁸ See <https://huione.money> (website for “USDH (Huione USD). Stablecoin that Never be frozen” describing USDH as “[a] stablecoin pegged 1:1 to the US Dollar launched by Huione Labs under Huione Group.”); Huione Crypto, *USDH is a stable currency in one word!*, formerly available at <https://huione.io/en-us/introduce> (last accessed Mar. 27, 2025).

acknowledgments of its failings,¹⁹ FinCEN assesses that Huione Group has no meaningful AML/KYC program, even after FinCEN issued the NPRM on May 5, 2025.²⁰

This Final Rule (1) sets forth FinCEN's finding, based on public and non-public information, that Huione Group is a financial institution operating outside of the United States of primary money laundering concern; and (2) imposes special measure five, which prohibits covered financial institutions from opening or maintaining a correspondent account for, or on behalf of, Huione Group.

A. Findings

Section 311 authorizes FinCEN, through delegated authority and in relevant part, to make a finding "that reasonable grounds exist for concluding" that "[one] or more financial institutions operating outside of the United States" is "of primary money laundering concern."²¹ A prerequisite to such a finding is that the relevant institution is a "financial institution operating outside of the United States."²²

¹⁹ Following negative public reporting about Huione Group in July 2024, Huione Group provided a statement to ABC News, stating that ". . . because our [Huione Group's] services are all public, covering Asia, Europe and America, and the privacy attributes of [CVC] are superimposed, our KYC [know your customer] capabilities are now seriously insufficient." See ABC News, *Cambodian online marketplace outed as one-stop shop for scammers' money laundering and 'detention equipment' needs* (July 26, 2024), <https://www.abc.net.au/news/2024-07-27/online-marketplace-for-money-laundering-and-scammers/104131624>; see also The Record, *Tether freezes \$29 million of cryptocurrency connected to Cambodian marketplace accused of fueling scams* (July 15, 2024), <https://therecord.media/tether-freezes-29-million-crypto-connected-to-scam-marketplace>; Elliptic, *Huione Guarantee: The multi-billion dollar marketplace used by online scammers* (July 9, 2024, updated Mar. 27, 2025), <https://www.elliptic.co/blog/cyber-scam-marketplace>; Elliptic, *Huione: The Company Behind the Largest Ever Illicit Online Marketplace Has Launched a Stablecoin* (Jan. 14, 2025), <https://www.elliptic.co/blog/huione-largest-ever-illicit-online-marketplace-stablecoin>; Chainalysis, *2024 Crypto Crime Mid-year Update Part 2: China-based CSAM and Cybercrime Networks on the Rise, Pig Butchering Scams Remain Lucrative* (Aug. 29, 2024), <https://www.chainalysis.com/blog/2024-crypto-crime-mid-year-update-part-2/>.

²⁰ In a June 18, 2025 comment on the NPRM, outside counsel for Huione Pay PLC claimed that "Huione Pay PLC is an independent entity and is undertaking substantial efforts to address and remediate compliance issues raised by the [NPRM]" For reasons explained in Section II.C.1, FinCEN continues to assess that Huione Pay PLC is a component of Huione Group. See *infra* Section II.C.1.

²¹ 31 U.S.C. 5318A(a)(1).

²² 31 U.S.C. 5318A(a)(1) authorizes the imposition of special measures on, among others, "financial institutions operating outside of the United States." Of the five special measures authorized by the statute, the fifth measure

The BSA defines a "financial institution" to be any of several categories of entities, including money transmitters.²³ The BSA defines a money transmitter as including "a licensed sender of money or any other person who engages as a business in the transmission of currency funds, or value that substitutes for currency."²⁴ A money transmitter does not require a particular license, corporate structure, or physical location.

As detailed further below, much of Huione Group's illicit money transmitting activity occurs through transactions in CVC. This is consistent with the money transmitter definition, which includes services in CVC. FinCEN's 2019 Guidance on CVC explains that for the purposes of the BSA's implementing regulations, persons "may be a money transmitter . . . regardless of the technology employed for the transmittal of value or the type of asset the person uses as value that substitutes for currency, or whether such asset is physical or virtual."²⁵ For the reasons explained in that Guidance, the term "value that substitutes for currency" includes CVC.²⁶

1. Huione Group and Its Identified Components Are Each a Financial Institution

Huione Group is a parent entity that controls the following constituent entities or Components:²⁷ Haowang

authorizes "Prohibitions or Conditions on Opening or Maintaining Certain Correspondent or Payable-Through Accounts." The statute goes on to define the terms correspondent account and payable-through account in reference to payments made on behalf of a "foreign financial institution"—a term otherwise undefined. For the purposes of this final rule, and under these facts, FinCEN finds that Huione Group is both a foreign financial institution and a financial institution outside of the United States.

²³ See 31 U.S.C. 5312(a)(2).

²⁴ 31 U.S.C. 5312(a)(2)(R) (allowing "a licensed sender of money or any other person . . ." to constitute money transmitter). FinCEN's implementing regulations define "person" broadly as "an individual, a corporation, a partnership, a trust or estate, a joint stock company, an association, a syndicate, joint venture, or other unincorporated organization or group, an Indian Tribe (as that term is defined in the Indian Gaming Regulatory Act), and all entities cognizable as legal personalities." 31 CFR 1010.100(mm).

²⁵ FinCEN, FIN-2019-G001, *Application of FinCEN's Regulations to Certain Business Models Involving Convertible Virtual Currencies* (May 9, 2019), at Section 1.2.3, <https://www.fincen.gov/sites/default/files/2019-05/FinCEN%20Guidance%20CVC%20FINAL%20508.pdf>.

²⁶ *Id.* at Sections 1.2.1, 1.3.

²⁷ As explained further in Section II.B, since the NPRM was issued, Huione Group changed its business structure in an apparent effort to counter governmental scrutiny, including the special measure proposed in FinCEN's May 2025 NPRM.

Guarantee; Huione Pay PLC; and Huione Crypto. FinCEN finds that reasonable grounds exist to conclude that Huione Group and each of the Components engages in the business of money transmission, and is therefore a financial institution under the BSA and its implementing regulations.

a. Huione Group

Huione Group is a Cambodia based, Hong Kong-registered,²⁸ sole proprietorship founded in or around 2014, that appears to be owned and controlled by an individual Cambodian national,²⁹ and at times holds itself out as the parent entity of the Components.³⁰ By its own account, Huione Group began as a fiat currency exchange service and over the past decade, expanded its commercial interests to include finance, insurance, real estate entities,³¹ and most recently, CVC exchange services.³² The Components operate in an interconnected fashion to provide an integrated payment service provider, illicit online market, and CVC exchanger (a type of virtual asset service provider or VASP).

Huione Group, as an individual entity, coordinates the Components' activities by operating the customer service and public relations functions of

²⁸ Hong Kong Companies Registry, *Huione Group Limited*, at p. 54, https://www.cr.gov.hk/docs/wrpt/RNC063_2018.12.17-2018.12.23.pdf.

²⁹ See The Record, *Tether freezes \$29 million of cryptocurrency connected to Cambodian marketplace accused of fueling scams* (July 15, 2024), <https://therecord.media/tether-freezes-29-million-crypto-connected-to-scam-marketplace>.

³⁰ See, e.g., Elliptic, *Huione: The Company Behind the Largest Ever Illicit Online Marketplace Has Launched a Stablecoin* (Jan. 14, 2025), <https://www.elliptic.co/blog/huione-largest-ever-illicit-online-marketplace-stablecoin>; Elliptic, *Huione Guarantee: The multi-billion dollar marketplace used by online scammers* (July 9, 2024, updated Mar. 27, 2025), <https://www.elliptic.co/blog/cyber-scam-marketplace>; Chainalysis, *2024 Crypto Crime Mid-year Update Part 2: China-based CSAM and Cybercrime Networks on the Rise, Pig Butchering Scams Remain Lucrative* (Aug. 29, 2024), <https://www.chainalysis.com/blog/2024-crypto-crime-mid-year-update-part-2/>; ABC News, *Cambodian online marketplace outed as one-stop shop for scammers' money laundering and 'detention equipment' needs* (July 26, 2024), <https://www.abc.net.au/news/2024-07-27/online-marketplace-for-money-laundering-and-scammers/104131624>; Huione Crypto, *Terms and Conditions, formerly available at https://www.huione.io/en-US/termsAndConditions/userAgreement* (last accessed Mar. 27, 2025). The Huione Group website is no longer accessible, which FinCEN assesses is likely a response to negative public attention following a series of reports by blockchain analytic firms on money laundering occurring at Huione Group.

³¹ Huione Group, *Who We Are, formerly available at https://www.huione.com/html/about.jsp* (last accessed Sept. 24, 2024).

³² Huione Crypto, *Introduce, formerly available at https://www.huione.io/en-US/introduce* (last accessed Mar. 26, 2025).

the Huione Group. Huione Group historically does this by hosting Telegram channels³³ to aid customers experiencing problems with the services that the Components provide.³⁴ One of Huione Group's Telegram channels also provides public relations commentary on behalf of the whole of the Huione Group network. On March 9, 2025, that public relations channel responded to counter news media reports that the Cambodian government revoked Huione Pay PLC's banking license.³⁵ Through coordination by Huione Group, Huione Group's Components all share CVC infrastructure, making it challenging to ascertain the specific Component involved in a particular transaction.

FinCEN finds that reasonable grounds exist to conclude that Huione Group is a money transmitter. By providing customer service and public relations services on behalf of the Components, Huione Group is itself part of a network of people who engage as a business in facilitating the transfer of money. Furthermore, through Huione Group's apparent control of the Components (each of which is itself a money transmitter and responds to Huione Group's coordination of the Components' business activities such that they form a self-contained ecosystem of exchange, payment, and market services), Huione Group is engaged as a business in the transmission of value that substitutes for currency. Accordingly, FinCEN finds that reasonable grounds exist to conclude that Huione Group is a financial institution as defined by the BSA and as that term is used in section 311.

b. Haowang Guarantee (Formerly Huione Guarantee)

Haowang Guarantee described itself as "a professional e-commerce platform that provides users with virtual digital products and transaction services . . . [that] does not participate in nor understand the specific business of the customer. . . . Huione cannot verify or guarantee the process of funds or goods."³⁶ On October 19, 2024, Huione

³³ Following the issuance of the NPRM, Telegram blocked Huione Group's telegram channels, which Haowang Guarantee notified customers of on its website. Haowang Guarantee, *Announcements*, formerly available at <https://www.hwbd.la/announcement> (last accessed May 15, 2025).

³⁴ Telegram, *Huione Group Customer Service Center*, formerly available at <https://t.me/huionekf/138> (last accessed Mar. 27, 2025).

³⁵ Telegram, *Huione Group Customer Service*, *Huione Statement* (Mar. 9, 2025), formerly available at <https://t.me/huionekf/346>.

³⁶ Haowang Guarantee, *About*, formerly available at <https://www.hwbd.la/about> (last accessed July 28, 2025).

Guarantee was rebranded as Haowang Guarantee, announcing the change on September 30, 2024, and offering customer discount following the rebrand to thank its long-term customers.³⁷ The reason for the Haowang Guarantee rebrand is unclear, although FinCEN assesses that it could be to distance itself from the negative public reporting about Huione Group.³⁸

Multiple blockchain analytic firms have analyzed and reported on Haowang Guarantee for facilitating the sale of contraband and illicit services. For example, a public report issued by blockchain analytics company Elliptic found that Haowang Guarantee appears to operate in a manner similar to a darknet market.³⁹ This assessment is based on the fact that Haowang Guarantee offers a marketplace where third party merchants can sell goods and services, including money laundering services and equipment that can be used to detain people, which could be used for illicit purposes such as human trafficking.⁴⁰ While FinCEN does not have evidence that Haowang Guarantee operates on the darknet, FinCEN assesses that Haowang Guarantee deals in the sale of illicit goods and services in a manner similar to a darknet market but on the open internet.⁴¹

Chainalysis, a separate blockchain analytics company, found similar results. In its 2024 Crypto Crime Mid-Year Update Report, it determined that Haowang Guarantee operates as a peer-to-peer marketplace that connects buyers and sellers and facilitates transactions.⁴² Chainalysis reviewed blockchain data of Haowang Guarantee

³⁷ Telegram, *Haowang Guarantee Customer Service Channel* (Sept. 30, 2024), formerly available at <https://t.me/s/kefu> (last accessed Mar. 27, 2025).

³⁸ See *supra* note 30.

³⁹ Darknet Markets almost exclusively accept CVC as payment for a large range of illegal services and goods, including ransomware-as-a-service (RaaS). CVC is often the payment method of choice on darknet marketplaces because illicit actors who transact on the darknet often incorrectly believe virtual currencies to be an anonymous and untraceable means of exchange.

⁴⁰ Elliptic, *Huione Guarantee: The multi-billion dollar marketplace used by online scammers* (July 9, 2024, updated Mar. 27, 2025), <https://www.elliptic.co/blog/cyber-scam-marketplace>.

⁴¹ For example, Haowang Guarantee has many similar characteristics to the darknet market described here. See Department of the Treasury, Press Release, *Treasury Sanctions Russia-Based Hydra, World's Largest Darknet Market, and Ransomware-Enabling Virtual Currency Exchange Garantex* (Apr. 5, 2022), <https://home.treasury.gov/news/press-releases/jy0701>.

⁴² Chainalysis, *2024 Crypto Crime Mid-year Update Part 2: China-based CSAM and Cybercrime Networks on the Rise, Pig Butchering Scams Remain Lucrative* (Aug. 29, 2024), <https://www.chainalysis.com/blog/2024-crypto-crime-mid-year-update-part-2/>.

and determined it had processed at least USD 49 billion worth of CVC since 2021. Chainalysis also determined that merchants operating on Haowang Guarantee's marketplace offered various illicit services, including the technology, infrastructure, and resources to conduct cyber scams.⁴³

In addition, Elliptic reports that Haowang Guarantee provides money laundering services to criminal organizations, helping them transfer the proceeds of investment frauds and other cyber scams to the legitimate banking sector undetected.⁴⁴ Because Haowang Guarantee offers "virtual digital products and transaction services" and facilitates CVC transactions, FinCEN finds that there are reasonable grounds to conclude that it is engaged as a business in the transmission of value that substitutes for currency. Accordingly, FinCEN finds that reasonable grounds exist to conclude that Haowang Guarantee is a financial institution as that term is used in the BSA and section 311.

c. Huione Pay PLC

As of January 2025, Huione Pay PLC was registered as a payment services institution with the National Bank of Cambodia.⁴⁵ On March 6, 2025, a media report indicated that Huione Pay PLC's banking license was revoked by the Cambodian government.⁴⁶ According to a July 31, 2025 update, the National Bank of Cambodia rescinded this license

⁴³ *Id.*

⁴⁴ Elliptic, *Huione: The Company Behind the Largest Ever Illicit Online Marketplace Has Launched a Stablecoin* (Jan. 14, 2025), <https://www.elliptic.co/blog/huione-largest-ever-illicit-online-marketplace-stablecoin>.

⁴⁵ National Bank of Cambodia, *List of Payment Service Institutions* (Dec. 31, 2024), https://www.nbc.gov.kh/english/supervision/payment_service.php (last accessed Mar. 21, 2025). The National Bank of Cambodia's List of Payment Service available on its website only reflects the most recent reporting period. As such, the information presented by FinCEN reflects information that was available at the time indicated, in this example, the above mentioned information indicates that as of March 21, 2025, Huione Pay PLC was registered as a payment service institution. Future references to this list correspondingly indicate the information as it was available on the date indicated.

⁴⁶ See Radio Free Asia, *Exclusive: World's Largest online black market' Loses banking license* (Mar. 6, 2025), <https://www.rfa.org/english/cambodia/2025/03/06/huione-cambodia-cyberscam-cryptocurrency/>. Huione Group responded to the allegations, refuting them by noting that Huione Pay PLC does not require a banking license for its operations. Telegram, *Huione Group Customer Service*, *Huione Statement* (Mar. 9, 2025), formerly available at <https://t.me/huionekf/346>. As of March 31, 2025, Huione Pay PLC is no longer listed as having an active license for "other financial services activities." National Bank of Cambodia, *List of Payment Service Institutions* (Mar. 31, 2025), https://www.nbc.gov.kh/english/supervision/payment_service.php (last accessed May 14, 2025).

by updating its list of “Payment Service Institutions.”⁴⁷ Further, as of March 2025, Huione Pay PLC was registered with the Cambodian Ministry of Commerce for “other financial service activities,” however, as of July 29, 2025, it no longer appears in the Ministry of Commerce’s business registration database, indicating that Huione Pay PLC lacks an active corporate registration or payment service license.⁴⁸ Until December 2023, there was a likely related entity, “Huione Pay,” registered as a money services business in Canada, which was incorporated in the country as Huione Pay Inc.⁴⁹ In March 2025, Huione Group advertised its plans to expand Huione Pay PLC into new markets, including in North America.⁵⁰

Huione Pay PLC offers its customers the ability to trade CVC on different blockchains, and to convert CVC to or from various fiat currencies; however, as of July 30, 2025, the Huione Pay PLC website was inaccessible.⁵¹ Part of Huione Pay PLC, Huione International Payments, acts as a merchant on Haowang Guarantee’s platform, exchanging CVC to facilitate the transfer of the proceeds of cyber scams.⁵² Huione Pay PLC previously held the local equivalent of a money transmitting business license issued by the Kingdom of Cambodia and engages in the exchange of CVC in a manner consistent with the definition of a money transmitting business.⁵³ Accordingly,

⁴⁷ National Bank of Cambodia, *List of Payment Service Institutions* (July 31, 2025), https://www.nbc.gov.kh/english/supervision/payment_service.php (last accessed Oct. 7, 2025).

⁴⁸ Cambodia Corporate Registry, *Huione Search*, <https://www.businessregistration.moc.gov.kh/cambodia-master/service/create.html?targetAppCode=cambodia-master&targetRegisterAppCode=cambodia-br-companies&service=registerItemSearch> (last accessed Mar. 27, 2025; July 29, 2025).

⁴⁹ Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), *Money Services Business Registry, Huione Pay Inc.*, <https://fintrac-canada.ca/msb-esm/reg-eng> (last accessed Mar. 13, 2025).

⁵⁰ Telegram, *Huione Group Customer Service, Huione Statement* (Mar. 9, 2025), formerly available at <https://t.me/huionekj/346>.

⁵¹ Huione Pay website, *Index*, formerly available at <https://www.huionepay.com.kh/index/help> (last accessed Mar. 27, 2025).

⁵² FinCEN assesses that Huione International Payments is part of Huione Pay PLC and that the entity supports Haowang Guarantee’s facilitation of transactions connected to money laundering activities. See Elliptic, *Huione Guarantee: The multi-billion dollar marketplace used by online scammers* (July 9, 2024, updated Mar. 27, 2025), <https://www.elliptic.co/blog/cyber-scam-marketplace/>; The New York Times, *How Scammers Launder Money and Get Away With It* (Mar. 23, 2025), <https://www.nytimes.com/2025/03/23/world/asia/cambodia-money-laundering-huione.html>.

⁵³ National Bank of Cambodia, *List of Payment Service Institutions* (Dec. 31, 2024), https://www.nbc.gov.kh/english/supervision/payment_service.php (last accessed Mar. 21, 2025).

FinCEN finds that reasonable grounds exist to conclude that Huione Pay PLC is a financial institution as that term is used in the BSA and section 311.

d. Huione Crypto

Huione Crypto provides CVC trading services through its “Huione Exchange” brand, which it owns and operates. Huione Exchange provides a platform for its customers to trade CVC using either its “peer to peer” or “centraliz[ed] exchange platform.”⁵⁴ In other words, Huione Crypto is a VASP operating under the Huione Group umbrella, and other Huione Group entities use Huione Crypto’s infrastructure to engage in CVC transactions. Separately, Huione Crypto issues the USDH stablecoin.⁵⁵ By facilitating CVC value exchanges for its customers through its trading platform, and by issuing a stablecoin that facilitates the transfer of money outside the conventional financial institution systems, Huione Crypto is engaged in money transmission as described at 31 U.S.C. 5312(a)(2)(R). Accordingly, FinCEN finds that reasonable grounds exist to conclude that Huione Crypto is a financial institution as that term is used in the BSA and section 311.

2. Huione Group and Its Identified Components Operate Outside the United States

As in the NPRM, FinCEN finds that reasonable grounds exist for concluding that Huione Group is a foreign financial institution.⁵⁶ As described in section II.A.1, Huione Group is a financial services conglomerate based in Phnom Penh, Cambodia, and its network offers unique services ranging from an online marketplace selling items useful for carrying out cyber scams to money laundering services that accept both fiat currencies and CVC.

a. Huione Group

Based on publicly available information, Huione Group is operated by a Cambodian person, from Phnom Penh, Cambodia.⁵⁷ Furthermore, the

www.nbc.gov.kh/english/supervision/payment_service.php (last accessed Mar. 21, 2025).

⁵⁴ Huione Crypto, *Legal*, formerly available at <https://www.huione.io/en-US/termsAndConditions/userAgreement> (last accessed Mar. 27, 2025).

⁵⁵ See Section I.B.

⁵⁶ FinCEN, *Special Measure Regarding Huione Group, as a Foreign Financial Institution of Primary Money Laundering Concern*, 90 FR 18934 (May 5, 2025).

⁵⁷ The Record, *Tether freezes \$29 million of cryptocurrency connected to Cambodian marketplace accused of fueling scams* (July 15, 2024), <https://therecord.media/tether-freezes-29-million-crypto-connected-to-scam-marketplace/>; see also ICANN, *Huione.com*, <https://lookup.icann.org/en/huione.com>; Elliptic, *Huione Guarantee: The*

Huione Group website is registered to a Cambodian address in Phnom Penh, uses a Cambodian Top-Level Domain, and communicates predominately in the Chinese language via a Cambodian website and one or more Telegram channels operated from Cambodia.⁵⁸ Accordingly, FinCEN finds that reasonable grounds exist to conclude that Huione Group is operated from and located in Cambodia and thus operates outside of the United States.

b. Haowang Guarantee (Formerly Huione Guarantee)

Haowang Guarantee has operated a Telegram-based marketplace that allows its customers to buy and sell goods and services, relying on other Huione Group services and infrastructure to execute the exchanges. FinCEN assesses that Haowang Guarantee deliberately obfuscates its location to shield its enterprise and customers from law enforcement. However, Haowang Guarantee is integrated into Huione Group’s operations and is apparently subject to Huione Group’s control. FinCEN assesses that it is operated from Cambodia and Haowang Guarantee advertises job opportunities based in Phnom Penh, Cambodia. Accordingly, FinCEN finds that reasonable grounds exist to conclude that Haowang Guarantee is operated from and located in Cambodia and thus operates outside of the United States.

c. Huione Pay PLC

Huione Pay PLC operates, or has operated, eight Cambodian domestic branch locations, located in Battambang, Phnom Penh, Poipet, Siem Reap, and Sihanoukville.⁵⁹ Huione Pay PLC has advertised on social media that it has, or had, operated a branch in Laukkaing,⁶⁰ the capital of the Kokang Self-Administered Zone in northern Burma and a known center for criminal CVC investment scams, before a 2023–2024 crackdown shuttered the majority of these operations.⁶¹ As noted above,

multi-billion dollar marketplace used by online scammers (July 9, 2024, updated Mar. 27, 2025), <https://www.elliptic.co/blog/cyber-scam-marketplace/>.

⁵⁸ On May 13, 2025, Telegram shut down Huione Group’s Telegram channel, however, there is evidence that Huione Group is creating new channels under different names to circumvent the action taken by Telegram.

⁵⁹ Telegram, *Huione Branch*, formerly available at <https://t.me/huionestoreaddress/7> (last accessed Mar. 27, 2025).

⁶⁰ Telegram, *Huione Group Customer Service Center*, formerly available at <https://t.me/huionekf/138> (last accessed Mar. 27, 2025).

⁶¹ Recorded Future, *Myanmar rebels take control of ‘pig butchering’ scam city amid China pressure*

Huione Pay PLC held a corporate registration in Cambodia as well as a payment services institution license, both of which have been revoked as of March 2025.⁶² Based on the foregoing, FinCEN finds that reasonable grounds exist to conclude that Huione Pay PLC is operated from and located in Cambodia, and thus operates outside of the United States.

d. Huione Crypto

Huione Crypto is registered in Poland under the name Huione Crypto Spółka Z Ograniczoną Odpowiedzialnością⁶³ and is also registered as a Money Services Business (MSB)⁶⁴ with FinCEN. However, despite its registration in Poland and the United States, FinCEN assesses that Huione Crypto actually operates in and from Cambodia,⁶⁵ and FinCEN has found no evidence consistent with activity in the United States.⁶⁶ FinCEN assesses that the “Group” referenced in Huione Crypto’s previously used *Standard Terms and Conditions*, which does not appear on its new website (www.huione.me),⁶⁷ refers to Huione Group, and that Huione Crypto’s CVC services share infrastructure with

on junta (Jan. 8, 2024), <https://therecord.media/myanmar-rebels-control-pig-butcher-scams-hub>.

⁶² National Bank of Cambodia, *List of Payment Service Institutions* (Dec. 31, 2024), https://www.nbc.gov.kh/english/supervision/payment_service.php (last accessed Mar. 21, 2025); As of March 31, 2025, Huione Pay PLC is no longer listed as having an active license for “other financial services activities.” National Bank of Cambodia, *List of Payment Service Institutions* (Mar. 31, 2025), https://www.nbc.gov.kh/english/supervision/payment_service.php (last accessed Oct 7, 2025); As of July 30, 2025, Huione Pay PLC has also lost its corporate registration. See Cambodia Corporate Registry, *Huione Search*, <https://www.businessregistration.moc.gov.kh/cambodia-master/service/create.html?targetAppCode=cambodia-master&targetRegisterAppCode=cambodia-br-companies&service=registerItemSearch> (last accessed July 29, 2025).

⁶³ Polish corporate registration database, *Huione Crypto SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ*, <https://www.biznes.gov.pl/en/wyszukiwarka-firm/wpis/krs/0001043802> (last accessed Oct. 6, 2025).

⁶⁴ For more information on what type of business or activity requires registration as a money service business, see FinCEN, *Money Services Business Definition*, <https://www.fincen.gov/money-services-business-definition>. See also 31 CFR 1010.100(ff).

⁶⁵ Huione Crypto, *Career Opportunities*, formerly available at <https://huione.io/en-US/careerOpportunities> (last accessed Mar. 27, 2025); Huione Crypto, *Legal*, formerly available at <https://www.huione.io/en-US/termsAndConditions/userAgreement> (last accessed Mar. 27, 2025); Huione Pay PLC, formerly available at www.huionepay.com.kh (last accessed Mar. 27, 2025).

⁶⁶ See FinCEN, *MSB Registrant Search*, *Huione*, <https://www.fincen.gov/msb-state-selector>.

⁶⁷ Huione Crypto website, www.huione.me/home?ts=1755613352122 (last accessed Aug. 19, 2025).

Huione Pay PLC and Haowang Guarantee, and collectively comprise a single organization.

Huione Crypto advertises jobs in Phnom Penh, Cambodia indicating it is likely operated out of Cambodia, instead of Poland. Additionally, the *Standard Terms and Conditions* of Huione Crypto stated that the “Group provides the Services through www.7572.com, the Group’s mobile application or any Huione application programming interface.” The listed web page (www.7572.com) formerly, but no longer, redirects to the website of Huione Pay PLC (www.huionepay.com.kh), however, as of August 19, 2025, it appears to be a website used exclusively by Huione Pay PLC. Indeed, Huione Crypto’s user agreement expressly disclaims that persons inside the United States may not avail themselves of Huione Group’s services.⁶⁸ Accordingly, FinCEN finds that reasonable grounds exist to conclude that Huione Crypto is operated from and located in Cambodia and thus operates outside of the United States.

e. Huione Group’s Connections to the United States

The most evidence of activity in the United States by Huione Group or its individual Components are three MSB registrations⁶⁹ with FinCEN and an address reported on two registrations.⁷⁰ In April 2023, Huione Crypto registered as a dealer in foreign exchange, and provided a business address in Phnom Penh, Cambodia, while noting no branches in the United States. In August 2024, Huione Pay Inc. registered to conduct multiple MSB activities, including check cashing, dealing in foreign exchange, and money transmission. Huione Pay Inc. provided an address in Denver, Colorado associated with a virtual mail forwarding service, and it also noted no branches in the United States. Finally, in February 2025, Huione LTD registered as a dealer in foreign exchange, money transmitter, and seller of money orders, and noted no branches in the United States. Huione LTD appears to use the same Denver, Colorado mail forwarding service as Huione Pay Inc. FinCEN has not

⁶⁸ Huione Crypto, *Legal*, formerly available at <https://www.huione.io/en-US/termsAndConditions/userAgreement> (last accessed Mar. 27, 2025).

⁶⁹ FinCEN’s MSB Registrant Search web page reflects only what the registrant has provided to FinCEN, and FinCEN does not approve or endorse any business that has registered as an MSB.

⁷⁰ An examiner attempted to contact Huione Pay Inc. at the Denver, Colorado location in November 2024, but the examiner did not identify a Huione Pay Inc. representative, nor any other evidence of a physical presence by Huione Pay Inc.

identified any actual physical location or other information suggesting Huione Group or the Components are operating in the United States.

Based on the foregoing, FinCEN assesses that Huione Group, including the Components, are predominately operated from and located in Cambodia, with a limited connection to Poland where Huione Crypto holds a corporate registration. While the three MSB registrations by Huione Crypto, Huione Pay Inc., and Huione LTD suggest that Huione Group may intend to expand its business to the United States in the future, as of the date of this final rule, FinCEN is not aware of any physical presence by Huione Group or the Components in the United States, or any substantial business with customers in the United States. Accordingly, FinCEN finds that there are reasonable grounds to conclude that Huione Group, including the Components, are foreign financial institutions that operate outside the United States.

3. Huione Group and Its Identified Components Are of Primary Money Laundering Concern

FinCEN assesses that Huione Group is used to facilitate and promote money laundering, particularly in support of illicit financial activities connected to the Democratic People’s Republic of Korea (DPRK) and Southeast Asia-based TCOs. Because Huione Group has shared infrastructure with its constituent entities, the structure makes it challenging to ascertain the specific Component involved in any particular transaction. Nevertheless, FinCEN bases this assessment on information available through both public and non-public reporting, and after thorough consideration of each of the following factors: (1) Huione Group provides services that DPRK government entities use to launder the proceeds of cyber heists; (2) TCOs based in Southeast Asia have used Huione Group to launder illicit proceeds of cyber scams, including CVC investment scams; and (3) Huione Group operates an illicit online market.

a. Huione Group Facilitates Transactions for DPRK Actors To Launder Funds From Sanctions Evasion and Cyber Heists

DPRK-affiliated actors have extensively used the Huione Group to launder stolen CVC for the benefit of the DPRK government and in support of DPRK’s WMD and ballistic missile programs, in violation of U.S. and multilateral sanctions programs, including United Nation Security Council Resolutions (UNSCRs). The

United States has consistently taken measures to counter DPRK's abuse of CVC and protect the United States from DPRK's illicit financial activity.⁷¹ However, as outlined in Treasury's 2024 National Proliferation Financing Risk Assessment, DPRK has continued to advance its illicit exploitation of new financial technology, including the theft and laundering of CVC, to raise and move money to fund its illicit weapons programs.⁷² Indeed, the UNSCR 1718 Committee's Panel of Experts (UNSCR 1718 POE) found that the malicious cyber activities of the DPRK generates approximately 50 percent of its foreign currency income. In its March 2024 annual report, the UNSCR 1718 POE indicated that it was investigating 17 CVC heists in 2023 for which the DPRK may be responsible, valued at more than USD 750 million.⁷³

i. Background on DPRK CVC Heists

In the same March 2024 report, the UNSCR 1718 POE noted it was investigating 58 suspected cyberattacks by DPRK's Reconnaissance General Bureau (RGB),⁷⁴ to which the Lazarus Group⁷⁵ is related, on CVC companies between 2017 and 2023, valued at approximately USD 3 billion. FinCEN assesses that these funds likely bolstered DPRK's WMD development.⁷⁶ The Federal Bureau of Investigation

⁷¹ See FinCEN, *READOUT: FinCEN Hosts Public-Private Dialogue on Countering the DPRK's Illicit Cyber Activities* (Aug. 31, 2023), <https://www.fincen.gov/news/news-releases/readout-fincen-hosts-public-private-dialogue-countering-dprks-illicit-cyber>.

⁷² Department of the Treasury, *National Proliferation Financing Risk Assessment* (Feb. 7, 2024), at pp. 2, 18, <https://home.treasury.gov/system/files/136/2024-National-Proliferation-Financing-Risk-Assessment.pdf>.

⁷³ United Nations, S/2024/215, *UN Panel of Experts Letter* (Mar. 7, 2024), at p. 60, <https://documents.un.org/doc/undoc/gen/n24/032/68/pdf/n2403268.pdf>.

⁷⁴ On January 2, 2015, OFAC sanctioned DPRK's RGB for being a controlled entity of the Government of North Korea. See Department of the Treasury, Press Release, *Treasury Imposes Sanctions Against the Government of The Democratic People's Republic Of Korea* (Jan. 2, 2015), <https://home.treasury.gov/news/press-releases/jl9733>. RGB was also previously listed in the annex to E.O. 13551 on August 30, 2010. Executive Order 13551, "Blocking Property of Certain Persons With Respect to North Korea," 75 FR 53837 (Aug. 30, 2010).

⁷⁵ This group is commonly referred to by the cybersecurity industry as Lazarus Group, APT38, BlueNoroff, and Stardust Chollima. For the purposes of this final rule, FinCEN will refer to this group as Lazarus Group. See Department of the Treasury, Press Release, *Treasury Sanctions North Korean State-Sponsored Malicious Cyber Group* (Sept. 13, 2019), <https://home.treasury.gov/news/press-releases/sm774>.

⁷⁶ Department of the Treasury, Press Release, *Treasury Imposes Sanctions Against the Government of The Democratic People's Republic Of Korea* (Jan. 2, 2015), <https://home.treasury.gov/news/press-releases/jl9733>.

(FBI), the Cybersecurity and Infrastructure Security Agency (CISA), and Treasury issued a joint Cybersecurity Advisory to highlight the cyber threat associated with cryptocurrency thefts and tactics used by the DPRK state-sponsored advanced persistent threat group, since at least 2020.⁷⁷ The U.S. government has observed DPRK cyber actors targeting a variety of organizations in the blockchain technology and cryptocurrency industry, including cryptocurrency exchanges, decentralized finance protocols, play-to-earn CVC video games, CVC trading companies, venture capital funds investing in CVC, and individual holders of large amounts of cryptocurrency or valuable non-fungible tokens.⁷⁸ FinCEN assesses that, over time, the DPRK's money laundering processes have become more complex in order to evade OFAC sanctions, law enforcement, and BSA reporting obligations from hacked entities or CVC entities used in the laundering process. DPRK is leveraging sophisticated CVC methods and a range of intermediary entities, often operating across multiple jurisdictions in East Asia, to further obfuscate its laundering. In fact, in August 2023, the FBI alerted the public to several thefts from CVC companies that it attributed to the Lazarus Group and warned that there could be another USD 40 million worth of CVC being prepared for laundering through VASPs.⁷⁹

ii. Huione Group Lauanders the Proceeds of DPRK Cyber Heists

Despite the 2023 FBI alert and other public reporting, Huione Group has continued to receive and process these illicit proceeds. There is wide reporting that Huione Group has received stolen CVC from multiple heists linked to DPRK actors, namely the Lazarus Group.⁸⁰ For example, between June 2023 and February 2024, a CVC wallet

⁷⁷ Department of the Treasury, Press Release, *Treasury Sanctions North Korean State-Sponsored Malicious Cyber Groups* (Sept. 13, 2019), <https://home.treasury.gov/news/press-releases/sm774>.

⁷⁸ CISA, AA22-108A, *TraderTraitor: North Korean State-Sponsored APT Targets Blockchain Companies* (Apr. 20, 2022), <https://www.cisa.gov/news-events/cybersecurity-advisories/aa22-108a>.

⁷⁹ FBI, *FBI Identifies Cryptocurrency Funds Stolen by DPRK* (Aug. 22, 2023), <https://www.fbi.gov/news/press-releases/fbi-identifies-cryptocurrency-funds-stolen-by-dprk>.

⁸⁰ The U.S. Government has previously issued advisories to publicly highlight the Lazarus Group's threat and tactics associated with CVC theft targeting organizations in the blockchain and CVC industry. See CISA, AA22-108A, *TraderTraitor: North Korean State-Sponsored APT Targets Blockchain Companies* (Apr. 20, 2022), <https://www.cisa.gov/news-events/cybersecurity-advisories/aa22-108a>.

used by the Lazarus Group sent CVC valued at over USD 150,000 to Huione Group.⁸¹

FinCEN conducted blockchain analysis, using commercially available blockchain analytic software, of flows of CVC associated with several heists carried out by DPRK. This analysis identified that Huione Group received a combined total of approximately USD 2.6 million worth of CVC from the June 2, 2023 Atomic Wallet heist and the June 22, 2023 Coinspaid⁸² and Alphapo heists.⁸³ In July 2024, Huione Group received USD 35 million worth of stolen CVC, later attributed to the Lazarus Group by the FBI, from the May 2024 heist targeting DMM, a Japanese VASP.⁸⁴ While the DMM heist was not initially attributed to the Lazarus Group (or any other prohibited entity or jurisdiction), the heist itself was widely reported by the time Huione Group received the CVC, and FinCEN would expect covered financial institutions to have an effective AML/KYC program to appropriately monitor transactions for red flags indicating connections to a high profile heist such as this. In total, based on publicly and non-publicly available information available to FinCEN, FinCEN's analysis has identified that Huione Group has received at least USD 37.6 million worth of CVC from DPRK cyber actors stemming from DPRK-attributed heists.

On multiple occasions between 2022 and 2024, a DPRK national with deep ties to the RGB, DPRK's primary foreign intelligence organization, worked with Huione Pay PLC officials to transfer CVC and fiat currency. FinCEN assesses that senior Huione Pay PLC leadership was aware of the individual's affiliation with DPRK. This DPRK national maintained personal relationships with multiple Huione Pay PLC officials and regularly met in person with at least one of these officials. In late 2023, the DPRK national worked with Huione Pay PLC officials to convert CVC into fiat currency and subsequently transfer fiat

⁸¹ Reuters, *Exclusive: North Korean hackers sent stolen crypto to wallet used by Asian payment firm* (July 15, 2024), <https://www.reuters.com/technology/cybersecurity/north-korean-hackers-sent-stolen-crypto-wallet-used-by-asian-payment-firm-2024-07-15/>.

⁸² FBI, *FBI Identifies Cryptocurrency Funds Stolen by DPRK* (Aug. 22, 2023), <https://www.fbi.gov/news/press-releases/fbi-identifies-cryptocurrency-funds-stolen-by-dprk>.

⁸³ *Id.*

⁸⁴ FBI, *FBI, DC3, and NPA Identification of North Korean Cyber Actors, Tracked as TraderTraitor, Responsible for Theft of \$308 Million USD from Bitcoin.DMM.com* (Dec. 23, 2024), <https://www.fbi.gov/news/press-releases/fbi-dc3-and-npa-identification-of-north-korean-cyber-actors-tracked-as-tradertor-responsible-for-theft-of-308-million-from-bitcoindmmcom>.

currency to an associate. In total, the DPRK national transferred CVC valued at tens of thousands USD to the Huione Pay PLC official. Furthermore, based on publicly and non-publicly available information available to FinCEN, in mid-2023, the DPRK national also planned to remit USD internationally to Hong Kong and sought Huione Pay PLC officials help to do so.

Given the opacity of Huione Group and the inherent limitation of blockchain analytics, FinCEN is largely unable to determine what DPRK-affiliated actors do with the CVC after they send it to Huione Group. However, given the close connection between Huione Pay PLC officials and DPRK nationals with close ties to DPRK's RGB, FinCEN assesses DPRK most likely uses Huione Group to convert CVC to fiat currencies.

b. Huione Group Launderes the Proceeds of Organized Criminal Groups' Cyber Scams

Huione Group also has significant exposure to, and has facilitated transactions associated with suspected fraud activity, including CVC investment scams, also referred to as "pig-butcherings." FinCEN assesses that Huione Group's extensive CVC services and its online marketplace, Haowang Guarantee, has made Huione Group, a "one stop shop" for criminals to launder CVC obtained through illicit activities, and ultimately convert it to fiat currency.

i. Background on CVC Investment Scams

In 2023, FinCEN published an alert on the "Pig Butchering" CVC investment scams.⁸⁵ These scams are largely perpetrated by criminal organizations based in Southeast Asia, who use victims of human trafficking to conduct outreach to millions of unsuspecting individuals around the world. The frontline scammers in these schemes are themselves often victims of trafficking, including forced labor, and are subjected to physical and mental abuse. The traffickers also force victims to work up to 15 hours a day and, in some cases, "resell" victims to other scam operations or subject them to sex trafficking.⁸⁶

⁸⁵ FinCEN, FIN-2023-Alert005, *FinCEN Alert on Prevalent Virtual Currency Investment Scam Commonly Known as "Pig Butchering"* (Sept. 8, 2023), https://www.fincen.gov/sites/default/files/shared/FinCEN_Alert_Pig_Butchering_FINAL_508c.pdf.

⁸⁶ Department of the Treasury, Press Release, *Treasury Sanctions Cambodian Tycoon and Businesses Linked to Human Trafficking and Forced Labor in Furtherance of Cyber and Virtual*

Once trust or a relationship has been established, the scammer will introduce the victim to a supposedly lucrative investment opportunity in CVC and direct them to use CVC investment websites or applications designed to appear legitimate, but are instead fraudulent and ultimately controlled or manipulated by the scammer. When a victim's pace of investment slows or stops, the scammer will use even more aggressive tactics to extract any final payments. The scammer may present the victim with supposed losses on the investment and encourage them to make up the difference through additional deposits. If the victim attempts to withdraw their investment, the scammer may demand that the victim pay purported taxes or early withdrawal fees. Once the victim is unable or unwilling to pay more into the scam, the scammer will abruptly cease communication with the victim, taking the victim's entire investment with them.⁸⁷

ii. Huione Group's Laundering of Proceeds of Cyber Scams, Including CVC Investment Scams

Based on FinCEN analysis of non-public information, Huione Group received at least USD 36 million worth of CVC investment scam proceeds, since at least August 2021. More broadly, the analysis identified that in the aggregate, inclusive of the cyber scam proceeds, Huione Group received approximately USD 300 million worth of CVC relating to other cyber scams. Despite the limitations noted above, and based on publicly and non-publicly available information, FinCEN assesses that, after illicit actors send CVC to Huione Group, CVC is then converted to fiat currency or different CVC, or withdrawn at a later point to move to a different VASP, as part of the money laundering process.

c. Huione Group's Lax Anti-Money Laundering Policies and Procedures

The risks presented by Huione Group's association with illicit actors and transactions linked to illicit activity are compounded by either an absence of, or ineffective, AML/KYC policies and procedures among Huione Group's components, as well as recent changes that have served to obfuscate Huione Group's involvement in illicit activity. For example, in July 2024, Huione

Currency Scams (Sept. 12, 2024), <https://home.treasury.gov/news/press-releases/jy2576>.

⁸⁷ FinCEN, FIN-2023-Alert005, *FinCEN Alert on Prevalent Virtual Currency Investment Scam Commonly Known as "Pig Butchering"* (Sept. 8, 2023), at p. 4, https://www.fincen.gov/sites/default/files/shared/FinCEN_Alert_Pig_Butchering_FINAL_508c.pdf.

Group was the subject of reporting by several blockchain analytic firms describing the use of its various services by TCOs for scam activity, including those offered by Haowang Guarantee.⁸⁸ Elliptic reported that Haowang Guarantee offered scam-enabling products and services used by scam compound operators to imprison and torture their workers. The products included tear gas, electric batons, and electronic shackles, among other related devices. The same month, in a post to its website in response to the adverse media reporting, Haowang Guarantee confirmed that "detention equipment" is not necessarily human trafficking."⁸⁹ Subsequently, Huione Pay PLC removed all references to Haowang Guarantee from its websites.⁹⁰

Neither Huione Pay PLC nor Haowang Guarantee have published AML/KYC policies.⁹¹ Huione Crypto does not have a published AML/KYC policy either. Rather, it maintains a "standard terms and conditions" on its website governing the use of its services. In relevant part, the agreement prohibits the use of Huione Crypto's platform by citizens, nationals or residents of particular countries, including the United States, Iran or North Korea, as well as individuals sanctioned under various national regimes, including those of the United States and United Nations. The agreement also states that "the [u]ser may not use the interface or services to disguise the origin or nature of illicit proceeds."⁹² However, the

⁸⁸ See Chainalysis, *2024 Crypto Crime Mid-year Update Part 2: China-based GSAM and Cybercrime Networks on the Rise, Pig Butchering Scams Remain Lucrative* (Aug. 29, 2024), <https://www.chainalysis.com/blog/2024-crypto-crime-mid-year-update-part-2/>; Elliptic, *Huione: The Company Behind the Largest Ever Illicit Online Marketplace Has Launched a Stablecoin* (Jan. 14, 2025), <https://www.elliptic.co/blog/huione-largest-ever-illicit-online-marketplace-stablecoin>; Elliptic, *Huione Guarantee: the Multi-billion dollar marketplace used by online scammers* (July 9, 2024), <https://www.elliptic.co/blog/cyber-scam-marketplace>.

⁸⁹ Haowang Guarantee, *To all public friends on social media* (July 17, 2024), formerly available at <https://www.yu444.com/gonggao/detail/2237>.

⁹⁰ Elliptic, *Huione Guarantee: the Multi-billion dollar marketplace used by online scammers* (July 9, 2024), <https://www.elliptic.co/blog/cyber-scam-marketplace>.

⁹¹ Repeated searches of their respective websites, including most recently on July 28, 2025, failed to yield any evidence of a policy. Haowang Guarantee's website did previously contain cursory fraud indicators available to customers, which has since been taken down, likely in response to the NPRM. Regardless, in FinCEN's assessment, this falls short of reasonable policies and procedures aimed at combating money laundering. See Haowang Guarantee, *Fangpian, formerly available at https://hwdb.la/fangpian* (last accessed Mar. 27, 2025).

⁹² Huione Crypto, *Legal, formerly available at https://www.huione.io/en-US/termsAndConditions/userAgreement* (last accessed Mar. 27, 2025).

extent of the criminal and money laundering activity on Huione Crypto's platforms that violate its terms and conditions agreement reflects that its AML/KYC program is either ineffective or unenforced.

Despite this, and as described in greater detail in section II.A.3 since at least August 2021, FinCEN identified—through analysis of non-public information—that Huione Group received at least USD 37 million worth of illicit proceeds from sanctioned entities—including DPRK entities—and at least USD 300 million worth of CVC from various cyber and CVC scam activity. FinCEN's analysis identified that, in the aggregate, Huione Group has received at least USD 4 billion worth of illicit proceeds, between August 2021 and January 2025.⁹³ This large-scale, persistent use of Huione Group by DPRK actors and TCO-driven CVC investment scams to launder their illicit proceeds belies the adequacy or effectiveness of Huione Group's AML/KYC procedures.

Huione Group itself has conceded the deficiencies in its AML regime. In a July 2024 media statement, for example, Huione Group stated “our [Know Your Customer] capabilities are now seriously insufficient.”⁹⁴ This statement was made after previously claiming earlier that month—in response to public identification of one heist, the proceeds of which were transmitted to Huione Pay PLC—that it had not known that Huione Pay PLC “received funds indirectly” from the heist, due to the layers of transactions between the source of the heist and the Huione Group-owned wallets that ultimately received the funds.⁹⁵

⁹³ By illicit category, Huione Group has received the following proceeds in CVC, denominated in equivalent USD value: USD 1,363 from child sexual abuse material; USD 618,861 from Darknet Markets/ Illicit Cyber Vendors; USD 3,246 from FinCEN Primary Money Laundering Concerns; USD 3,248,510,440 from Identified Illicit Cyber actors; USD 47,393,602 from VASPs without KYC policies; USD 407,129,792 from OFAC Specially Designated Nationals (U.S. sanctioned entities); USD 347,549,705 from Scams; USD 22,133,556 from seized and/or stolen funds; and 2,627,009 from terrorist financing.

⁹⁴ See ABC News, *Cambodian online marketplace touted as one-stop shop for scammers' money laundering and 'detention equipment' needs* (July 26, 2024), <https://www.abc.net.au/news/2024-07-27/online-marketplace-for-money-laundering-and-scammers/104131624>.

⁹⁵ Reuters, *Exclusive: North Korean hackers sent stolen crypto to wallet used by Asian payment firm* (July 15, 2024), <https://www.reuters.com/technology/cybersecurity/north-korean-hackers-sent-stolen-crypto-wallet-used-by-asian-payment-firm-2024-07-15/>.

d. Huione Group Continues Its CVC-Related Operations Despite Regulatory Prohibition

Further illustrating the money laundering risk posed by Huione Group is the fact that a significant portion of its assessed illicit transactional activity involves CVC, which the National Bank of Cambodia, Huione Group's primary regulator, expressly prohibits. In a 2024 public statement, the National Bank of Cambodia stated that payment firms are “not allowed to deal or trade any cryptocurrencies and digital assets. According to that same reporting, this ban has been in effect since 2018, “to avoid investment losses due to crypto's volatility, cybercrime and the anonymity of the technology “which may cause risks of money laundering and financing of terrorism.””⁹⁶ Despite this prohibition, Huione Group has continued to develop its CVC services and has even expanded its CVC offerings in recent months. In September 2024, Huione Group launched USDH, a stablecoin it explicitly advertised as “unfreezeable” and “not restricted by traditional regulatory agencies.”⁹⁷ FinCEN assesses that Huione Group is likely taking this step and marketing itself as outside regulatory agency reach to increase its appeal to illicit actors and hamper compliance with applicable AML laws. Notably, Huione Group's intentional launching of this “unfreezeable” stablecoin differs from other stablecoin issuers that generally respond to law enforcement requests to freeze CVC tied to illicit activity. One particular example of this contrast occurred in July 2024, when one stablecoin issuer froze CVC valued at over USD 29 million that was located in a Huione Group CVC wallet because it was “associated with activities allegedly linked to fraudulent and transnational criminal operations.”⁹⁸ By trumpeting that its stablecoin is “not restricted by traditional regulatory agencies” and offering USDH, which is “unfreezeable,” even upon a lawful request from law enforcement, Huione Group facilitates and profits from money laundering, benefiting TCOs and DPRK actors exfiltrating the proceeds of their crimes.

Given the various aggravating factors described above, FinCEN finds that the Huione Group—with its weak and

⁹⁶ *Id.*

⁹⁷ Huione Crypto, *USDH is a stable currency in one word!*, formerly available at <https://huione.io/en-us/introduce> (last accessed Mar. 27, 2025).

⁹⁸ The Record, *Tether freezes \$29 million of cryptocurrency connected to Cambodian marketplace accused of fueling scams* (July 15, 2024), <https://therecord.media/tether-freezes-29-million-crypto-connected-to-scam-marketplace>.

ineffective AML policies, procedures, and controls, provision of services that offer anonymity and an ability to evade sanctions, and development of a stablecoin designed to hinder the ability of law enforcement to recover the proceeds of crime—is being used extensively to facilitate or promote money laundering, in particular by organized criminal groups and entities involved in the proliferation of WMD or missiles.

B. Post-NPRM Developments

In the wake of the NPRM, Huione Group has continued to facilitate money laundering. For example, a June 16, 2025 media report indicates that approximately USD 6.9 million worth of CVC stolen from a compromised device was quickly funneled through one of Huione Group's Components following the theft.⁹⁹ Analysis by blockchain analytic firm, Global Ledger found that between May 1 and June 17, 2025, transactions involving Huione Group wallets amounted to more than USD 10 billion worth of the CVC Tether on Tron,¹⁰⁰ and USD 219 million worth of the CVC Ethereum.¹⁰¹ Global Ledger's analysis also found that Huione Crypto and Huione Pay continue to operate under the wider Huione Group operational structure.¹⁰² Huione Group's continued operations point to the challenges of shuttering decentralized, opaque illicit marketplaces.¹⁰³

C. Consideration of Comments

FinCEN published the NPRM, with a 30-day comment period. In response,

⁹⁹ Cointelegraph, *Crypto user loses \$6.9 million to a cold wallet from China's TikTok* (June 16, 2025), <https://cointelegraph.com/news/crypto-investor-loses-6m-douyin-cold-wallet-scam>.

¹⁰⁰ Tether, a stablecoin with a 1:1 peg to the USD, does not operate its own blockchain, instead, it is issued on the blockchains of other CVCs, in this case, it is deployed to the Tron blockchain. For the purposes of this final rule, FinCEN considers Tether on Tron to be one type of CVC. See Cointelegraph, *What Is Tether USDT and How Does it Work* (Feb. 9, 2025) <https://cointelegraph.com/explained/what-is-tether-usdt-and-how-does-it-work>.

¹⁰¹ Cointelegraph, *Huione wallets moved \$1B to crypto exchanges since FinCEN action* (July 8, 2025), <https://cointelegraph.com/news/huione-wallets-moved-crypto-exchanges-fincen>.

¹⁰² *Id.*

¹⁰³ Bloomberg, *World's Biggest Illicit Marketplace Becomes an 'Amazon for Criminals'*, (Aug. 1, 2025) <https://www.bloomberg.com/news/features/2025-08-01/huione-s-24-billion-hub-for-cybercrime-is-an-amazon-for-criminals> (last accessed Aug. 18, 2025); CoinDesk, *Telegram Bans \$35B scam Marketplace. Only to see Illicit Crypto Trades Surge Elsewhere*, (July 30, 2025), <https://www.coindesk.com/business/2025/07/30/illicit-crypto-trade-quickly-rebounds-despite-telegram-s-shutdown-of-usd35b-huione-marketplace>.

FinCEN received eight comments.¹⁰⁴ Those comments are summarized below, along with FinCEN's responses. One Huione Group component, Huione Pay PLC, commented on the NPRM through counsel.

1. Huione Pay PLC's Comment and Request for Extension

On May 27, 2025, a law firm ("outside counsel") representing Huione Pay PLC emailed FinCEN requesting an extension of the public comment period so that Huione Pay PLC might provide a fulsome comment addressing FinCEN's concerns, as outlined in the NPRM. FinCEN granted that initial request for an extension, providing an additional 14 days for Huione Pay PLC and any other similarly situated party to submit a late comment, and outside counsel submitted a comment on June 18, 2025, which FinCEN posted to *regulations.gov*.

In that comment, Huione Pay PLC claims, without evidence or further explanation, that Huione Pay PLC is an "independent entity," distinct from Huione Group, presumably seeking to have Huione Pay PLC excluded from the definition of Huione Group in the proposed rule. However, Huione Pay PLC had adequate time to identify and produce information about its own structure and organization—information that a legitimate enterprise should be willing to produce and have readily at hand. Having no factual support for the proposition that Huione Pay PLC is independent of Huione Group, and considering contradictory public and nonpublic information, FinCEN finds this claim unpersuasive and continues to assess that Huione Pay PLC is a component of Huione Group.¹⁰⁵

In its comment, Huione Pay PLC also claims that it is "undertaking substantial efforts to address and remediate compliance issues raised by the Proposed Rulemaking," and that it had retained "an independent, reputable, U.S.-based, global consulting firm" in order "to assist Huione Pay PLC in identifying and remediating potential compliance deficiencies." Huione Pay PLC represented that the firm would, or had begun to:

- Speak with Huione Pay PLC staff responsible for various business functions . . . to understand the company's operations, management structure, products, and services;
- Gather information related to the company's compliance policies,

procedures, practices, trainings, and user base; and

- Examine the company's information technology infrastructure, databases, controls, and records, and confirm the technical configurations of the Content Distribution Network (CDN) used by Huione Pay PLC to enforce the blocking of IP addresses originating from sanctioned jurisdictions.

In light of the firm's work, the comment sought an additional unspecified extension of time to submit a late comment in order to allow for the firm's work to generate additional information, which would be transmitted to FinCEN. FinCEN considered granting a longer extension and the benefit of greater insight into Huione Pay PLC's claims of AML/KYC compliance. However, having already provided Huione Pay PLC an additional 14 days to submit a comment—resulting in a total of 44 calendar days to provide substantive comments on the NPRM—FinCEN declined to grant a further extension of time, taking into account public and nonpublic information about Huione Pay PLC's deep integration and essential role in Huione Group's money laundering activities, Huione Group's consistent pattern of obfuscation in the face of government action, the volume of money laundering occurring through Huione Group, the danger of the schemes perpetrated by Huione Group's criminal customers, FinCEN's past practices relating to public comment periods,¹⁰⁶ and the inadequate basis that had been presented to further delay a final rule in light of the attendant risks.¹⁰⁷

2. Comment Suggesting That FinCEN Modify Certain Definitions and Include Provisions To Improve Enforceability

In response to the NPRM, FinCEN received one comment that was generally supportive of the rule but suggesting that FinCEN modify certain definitions. That comment suggests that FinCEN adopt a more comprehensive definition of Huione Group that encompasses any entity under demonstrable direct or indirect control

of Huione Group. FinCEN weighed the benefit of a more expansive definition of Huione Group with the benefit of regulatory certainty. FinCEN considered the benefit of a more flexible and expansive definition of Huione Group in countering its opaque and evolving organizational structure. However, FinCEN assessed that the burden on covered financial institutions of a flexible "direct or indirect control" definition would be considerable and that the probability of misidentification would be significant. Accordingly, FinCEN determined that final rule should implement the definition of Huione Group that was proposed in the NPRM.

The same commenter also suggests FinCEN establish a standalone definition for "Correspondent Account" as part of the final rule. FinCEN assesses that altering such a definition would be beyond the scope of this rulemaking. The same comment also suggests that FinCEN include a provision that would cover any successor entity noting that it should include, "any attempt to rebrand, restructure, or create shell companies with the intent to avoid regulatory oversight shall be considered a violation, subject to immediate enforcement action." FinCEN assesses this final rule sufficiently covers entities that covered financial institutions know or have reason to believe are a component, branch, or office of Huione Group operating as a financial institution in any jurisdiction outside of the United States and, as such, more explicit provisions are unnecessary.

The same commenter also suggests that FinCEN use less subjective language, including more concise definitions of "reasonable steps," and suggesting that the phrase "knows or has reason to believe" leaves too much room for subjective interpretation. FinCEN assesses that covered financial institutions are best suited to make the determination of whether they have obligations to implement the special measure. Similarly, the commenter suggested that "[t]he proposed measure does not explicitly detail the consequences for noncompliance," and that "FinCEN should incorporate language specifying that violations will trigger enforcement actions, including fines, account restrictions, or other sanctions as detailed in this section." Willful violations of this final rule are subject to civil and criminal penalties set forth at 31 CFR 1010.821 and 1010.840, and 31 U.S.C. 5321 and 5322.

¹⁰⁴ Published comments are available online at <https://www.regulations.gov/document/FINCEN-2025-0004-0003>.

¹⁰⁵ See *supra* Sections II.A.1.c, II.A.2.c, and II.A.3.a.ii.

¹⁰⁶ The Al-Huda Bank NPRM was published on January 31, 2024, and the final rule was published on July 3, 2024. See FinCEN, *Proposal of Special Measure Regarding Al-Huda Bank, as a Foreign Financial Institution of Primary Money Laundering Concern*, 89 FR 6074 (Jan. 31, 2024); FinCEN, *Imposition of Special Measure Regarding Al-Huda Bank as a Financial Institution of Primary Money Laundering Concern*, 89 FR 55051 (July 3, 2024).

¹⁰⁷ Since Huione Pay PLC lodged its request, FinCEN has looked for evidence of action by any Huione Group entity towards AML/KYC compliance. Except for some superficial restructuring apparently intended to evade further scrutiny, Huione Group's money laundering enterprise appears to operate just as before.

4. Comments Expressing Support for the NPRM, and Suggesting Additional Steps To Combat CVC Investment Scams

In response to the NPRM, FinCEN received one comment expressing support for FinCEN's identification of Huione Group as a primary money laundering concern. The commenter suggests that targeting Huione Group alone is insufficient to effectively safeguard the U.S. financial system, and that FinCEN should work with other government agencies to take additional steps, including punitive measures against other large facilitators of money laundering. FinCEN assesses that this final rule is an important step in safeguarding the U.S. financial system and will continue to take steps to safeguard the U.S. financial system.

5. Non-Responsive Comments

FinCEN received five other comments that were not responsive to the NPRM, including suggestions to investigate other, unrelated alleged financial crimes, and separate comments entirely unrelated to this rulemaking process.

D. Summary of FinCEN's Ongoing Concerns Regarding Huione Group

After considering comments received from the public, as well as other information available to the agency, including both public and non-public information, and Huione Group's ongoing efforts to engage in money laundering activities and evade scrutiny and accountability, FinCEN continues to find that reasonable grounds exist to conclude that Huione Group remains a financial institution operating outside the United States that is of primary money laundering concern.

III. Imposition of a Special Measure Regarding Huione Group as a Foreign Financial Institution of Primary Money Laundering Concern

Based upon this finding, FinCEN is authorized to impose one or more special measures. Following the required consultations and the consideration of all relevant factors discussed in the NPRM, FinCEN proposed a prohibition under the fifth special measure.¹⁰⁸

¹⁰⁸ Prior to issuing the NPRM and this final rule, FinCEN consulted with representatives and staff of the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Secretary of State, the staff of the Securities and Exchange Commission, the Commodity Futures Trading Commission, staff of the National Credit Union Administration, the Federal Deposit Insurance Corporation, and the Attorney General. These consultations involved obtaining interagency views on the imposition of special measure five and the effects that such a prohibition would have on the U.S. domestic and

After reviewing the comments and considering all potential special measures, FinCEN concludes that a prohibition under special measure five is warranted. Consistent with the finding that Huione Group is a foreign financial institution of primary money laundering concern, and in consideration of additional relevant factors, this final rule imposes a prohibition on covered financial institutions from opening or maintaining a correspondent account for, or on behalf of, Huione Group. This prohibition will help guard against the money laundering risks to the U.S. financial system posed by Huione Group, as identified in the NPRM and this final rule.

A. Whether Similar Action Has Been or Is Being Taken by Other Nations or Multilateral Groups Regarding Huione Group

In March 2025, National Bank of Cambodia stripped Huione Pay PLC of its banking license.¹⁰⁹ Nevertheless, as established above, Huione Group has continued to operate CVC services which are expressly prohibited in Cambodia.¹¹⁰ Thus, FinCEN assesses that this special measure is appropriate given Huione Group's ongoing and egregious conduct, continuing even after one component lost its license to operate.

B. Whether the Imposition of Any Particular Special Measure Would Create a Significant Competitive Disadvantage, Including Any Undue Cost or Burden Associated With Compliance, for Financial Institutions Organized or Licensed in the United States

While FinCEN assesses that the final rule would place some cost and burden on covered financial institutions, these burdens are neither undue nor inappropriate in view of the threat posed by the illicit activity facilitated by Huione Group. As described in the NPRM, Huione Group has no direct USD correspondent relationships with U.S. financial institutions and instead, accesses USD through nested corresponding relationships, outside the

international financial systems. Those views are reflected in FinCEN's explanation of the reasons for issuing this final rule.

¹⁰⁹ National Bank of Cambodia, *List of Payment Service Institutions* (Mar. 31, 2025), https://www.nbc.gov.kh/english/supervision/payment_service.php (last accessed July 28, 2025).

¹¹⁰ Reuters, *Exclusive: North Korean hackers sent stolen crypto to wallet used by Asian payment firm* (July 15, 2024), <https://www.reuters.com/technology/cybersecurity/north-korean-hackers-sent-stolen-crypto-wallet-used-by-asian-payment-firm-2024-07-15/>.

United States. These accounts may be used for commercial payments, as well as foreign exchange and money markets. Covered financial institutions and transaction partners have ample opportunity to arrange for alternative payment mechanisms in the absence of correspondent banking relationships with Huione Group.

As such, a prohibition on correspondent banking with Huione Group will impose minimal additional compliance costs for covered financial institutions, which would most commonly involve adding Huione Group to existing sanctions and money laundering screening tools. FinCEN assesses that given the risks posed by Huione Group's facilitation of money laundering, the additional burden on covered financial institutions in preventing the opening of correspondent accounts with Huione Group, as well as conducting due diligence on foreign correspondent account holders and notifying them of the prohibition, will be minimal.

C. The Extent to Which the Action or the Timing of the Action Would Have a Significant Adverse Systemic Impact on the International Payment, Clearance, and Settlement System, or on Legitimate Business Activities of Huione Group

FinCEN assesses that imposing the final rule would have minimal impact upon the international payment, clearance, and settlement system. As a comparatively small financial institution responsible for a nominal amount of transaction volume in the region, Huione Group is not a systemically important financial institution in Cambodia, regionally, or globally. FinCEN views that prohibiting Huione Group's access to U.S. correspondent banking channels would not substantially affect the volume of legitimate cross-border transactions. Further, a prohibition under special measure five will not prevent Huione Group from conducting legitimate business activities in other foreign currencies.

D. The Effect of the Proposed Action on United States National Security and Foreign Policy

As described above, evidence available to FinCEN demonstrates that Huione Group serves as a significant conduit for money laundering by TCOs engaged in CVC investment scams and DPRK-related actors engaging in CVC heists. Imposing special measure five will: (1) close Huione Group's access to USD; (2) inhibit Huione Group's ability to act as an illicit finance facilitator for DPRK and TCOs engaged in CVC

investment scams; and (3) raise awareness of the way illicit actors exploit weaknesses in vulnerable jurisdictions to circumvent sanctions and finance WMD and ballistic missile proliferation.

E. Consideration of Alternative Special Measures

In assessing the appropriate special measure to impose, FinCEN considered alternatives to a prohibition on the opening or maintaining in the United States of correspondent accounts or payable-through accounts, including the imposition of one or more of the first four special measures, or imposing conditions on the opening or maintaining of correspondent accounts under special measure five. Having considered these alternatives and for the reasons set out below, FinCEN assesses that none of the other special measures available under section 311 would appropriately address the risks posed by Huione Group and the urgent need to prevent it from accessing USD through correspondent banking.

With public acknowledgements of its failure to address significant AML/KYC deficiencies, Huione Group continues to present a significant money laundering risk, particularly related to DPRK cyber heists and TCO-run scams. Taken as a whole, Huione Group's history of involvement in laundering proceeds of illicit activities, and its creation of an unfreezeable stablecoin, presents a heightened risk that Huione Group will continue to be used by illicit actors. A key feature of Huione Group's service offerings includes a marketplace to sell items that enable CVC investment scams, and money laundering services to launder the proceeds of the scams. Huione Group serves as a significant node within the money laundering ecosystem that enables criminals to both obtain necessary items to carry out various crimes, and the services to launder the proceeds of those crimes.

Because of the nature, extent, and purpose of the obfuscation engaged in by Huione Group, any special measure intended to mandate additional information collection would likely be ineffective and insufficient to determine the true identity of illicit finance actors who transact with the group. For example, the provision under special measure one, that "the identity and address of the participants in a transaction or relationship, including the identity of the originator of any funds transfer" be collected in records and reports, could be circumvented by the operations of shell companies, wherein the reported identity of the originator serves to obscure the true

beneficial owner or originator.¹¹¹ This would be ineffective in preventing illicit transactions. Huione Group's record of such circumvention suggests that special measure one would not adequately protect the U.S. financial system from the threats posed by the financial institution.

Further, the requirements under special measures three and four, that domestic financial institutions obtain "with respect to each customer (and each such representative), information that is substantially comparable to that which the depository institution obtains in the ordinary course of business with respect to its customers residing in the United States," are also likely to be ineffective.¹¹² Huione Group's use of nested correspondent account access through layers of payment systems would render these alternative measures ineffective. Only significant effort and expense by U.S. institutions could fill this gap, which would impose a disproportionate compliance burden, with no guarantee that the money laundering threat would be addressed through customer due diligence research. FinCEN also considered special measure two, which may require domestic financial institutions to "obtain and retain information concerning the beneficial ownership of any account opened or maintained in the United States by a foreign person."¹¹³ The agency determined that this special measure would likely be ineffective since the concerns involving Huione Group do not involve the opening or maintaining of accounts in the U.S. by foreign persons.

FinCEN similarly assesses that merely imposing conditions under special measure five would be inadequate to address the risks posed by Huione Group's activities. Special measure five enables FinCEN to impose conditions as an alternative to a prohibition on the opening or maintaining of correspondent accounts.¹¹⁴ Given Huione Group's longstanding ties to DPRK proliferation finance, coupled with money laundering tied to CVC investment scams, and public acknowledgment of failures of its AML/KYC program, FinCEN determined that imposing any condition would not be an effective measure to safeguard the U.S. financial system. FinCEN assesses that the billions of dollars' worth of CVC and fiat laundered through Huione Group's exploitation of its access to USD, and the exposure of U.S. financial

institutions to Huione Group's illicit activity, outweigh the value in providing conditioned access to the U.S. financial system for any purportedly legitimate business activity. Conditions on the opening or maintaining of correspondent accounts would likely be insufficient to prevent illicit financial flows through the U.S. financial system, given Huione Group's inadequate AML/KYC program.

In sum, FinCEN assesses that any condition or additional recordkeeping or reporting requirement would be an ineffective measure to safeguard the U.S. financial system from the illicit behavior facilitated by Huione Group. Such measures would not prevent Huione Group from accessing the correspondent accounts of U.S. financial institutions, thus leaving the U.S. financial system vulnerable to processing illicit transfers that are likely to finance DPRK's nuclear proliferation, or CVC investment scams, resulting in significant national security and money laundering risk. In addition, no recordkeeping or reporting requirements or conditions would be sufficient to guard against the risks posed by a financial institution that processes transactions that are designed to obscure the transactions' true nature and are ultimately for the benefit of DPRK and TCOs. Therefore, FinCEN has determined that a prohibition on opening or maintaining correspondent banking relationships is the only special measure available under section 311 that can adequately protect the U.S. financial system from the illicit finance risk posed by Huione Group. For these reasons, and after thorough consideration of alternate measures, FinCEN assesses that no measures short of full prohibition on correspondent or payable-through banking access would be sufficient to address the money laundering risks posed by Huione Group.

IV. Section-by-Section Analysis

A. 1010.664(a)—Definitions

1. Definition of Huione Group

The final rule defines the term "Huione Group" to mean all subsidiaries, branches, and offices of Huione Group operating as a financial institution in any jurisdiction outside of the United States, including Haowang Guarantee (formerly known as Huione Guarantee), Huione Pay PLC, and Huione Crypto Spółka Z Ograniczoną Odpowiedzialnością (d/b/a Huione Crypto).

¹¹¹ 31 U.S.C. 5318A(b)(1)(B)(i).

¹¹² 31 U.S.C. 5318A(b)(3)(B).

¹¹³ 31 U.S.C. 5318A(b)(2).

¹¹⁴ 31 U.S.C. 5318A(b)(5).

2. Definition of Correspondent Account

The final rule defines the term “correspondent account” to have the same meaning as the definition contained in 31 CFR 1010.605(c)(1)(ii). In the case of a U.S. depository institution, this broad definition includes most types of banking relationships between a U.S. depository institution and a foreign bank that are established to provide regular services, dealings, and other financial transactions, including a demand deposit, savings deposit, or other transaction or asset account, and a credit account or other extension of credit. FinCEN is using the same definition of “account” for purposes of this final rule as is established for depository institutions in the final rule implementing the provisions of section 312 of the USA PATRIOT Act, requiring enhanced due diligence for correspondent accounts maintained for certain foreign banks.¹¹⁵ Under this definition, “payable-through accounts” are a type of correspondent account.

In the case of securities broker-dealers, futures commission merchants, introducing brokers in commodities, and investment companies that are open-end companies (mutual funds), FinCEN is also using the same definition of “account” for purposes of this final rule as was established for these entities in the final rule implementing the provisions of section 312 of the USA PATRIOT Act, requiring due diligence for correspondent accounts maintained for certain foreign banks.¹¹⁶

3. Definition of Covered Financial Institution

The final rule defines the term “covered financial institution” by reference to 31 CFR 1010.605(e)(1), the same definition used in the BSA rule (31 CFR 1010.610) requiring the establishment of due diligence programs for correspondent accounts for financial institutions. In general, this definition includes the following:

- a bank;
- a broker or dealer in securities;
- a futures commission merchant or an introducing broker in commodities; and
- a mutual fund.

4. Definition of Foreign Banking Institution

The final rule defines the term “foreign banking institution” to mean a bank organized under foreign law, or an agency, branch, or office located outside

the United States of a bank. The term does not include an agent, agency, branch, or office within the United States of a bank organized under foreign law.

5. Definition of Subsidiary

The final rule defines the term “subsidiary” to mean a company of which more than 50 percent of the voting stock or an otherwise controlling interest is owned by another company.

B. 1010.664(b)—Prohibition on Accounts and Due Diligence Requirements for Covered Financial Institutions

1. Prohibition on Opening or Maintaining Correspondent Accounts

Section 1010.664(b)(1) of the final rule prohibits covered financial institutions from opening or maintaining in the United States a correspondent account for, or on behalf of, Huione Group.

2. Prohibition on Use of Correspondent Accounts Involving Huione Group

Section 1010.664(b)(2) of the final rule requires covered financial institutions to take reasonable steps to not process a transaction for the correspondent account of a foreign banking institution in the United States if such a transaction involves Huione Group. Such reasonable steps are described in 1010.664(b)(3), which sets forth the special due diligence requirements a covered financial institution would be required to take when it knows or has reason to believe that a transaction involves Huione Group.

3. Special Due Diligence for Correspondent Accounts

As a corollary to the prohibition set forth in section 1010.664(b)(1) and (2), section 1010.664(b)(3) of the final rule requires covered financial institutions to apply special due diligence to all of their foreign correspondent accounts that is reasonably designed to guard against such accounts being used to process transactions involving Huione Group. As part of that special due diligence, covered financial institutions are required to notify those foreign correspondent account holders that the covered financial institutions know or have reason to believe provide services to Huione Group, that such correspondents may not provide Huione Group with access to the correspondent account maintained at the covered financial institution. A covered financial institution may satisfy this notification requirement using the following notice:

Notice: Pursuant to U.S. regulations issued under Section 311 of the USA PATRIOT Act, see 31 CFR 1010.664, we are prohibited from opening or maintaining in the United States a correspondent account for, or on behalf of, Huione Group. The regulations also require us to notify you that you may not provide Huione Group, including any of its subsidiaries, branches, and offices access to the correspondent account you hold at our financial institution. If we become aware that the correspondent account you hold at our financial institution has processed any transactions involving Huione Group, including any of its subsidiaries, branches, and offices, we will be required to take appropriate steps to prevent such access, including terminating your account.

The purpose of the notice requirement is to aid cooperation with correspondent account holders in preventing transactions involving Huione Group from accessing the U.S. financial system. FinCEN does not require or expect a covered financial institution to obtain a certification from any of its correspondent account holders that access will not be provided to comply with this notice requirement.

Methods of compliance with the notice requirement could include, for example, transmitting a notice by mail, fax, or email. The notice should be transmitted whenever a covered financial institution knows or has reason to believe that a foreign correspondent account holder provides services to Huione Group.

Special due diligence also includes implementing risk-based procedures designed to identify any use of correspondent accounts to process transactions involving Huione Group. A covered financial institution would be expected to apply an appropriate screening mechanism to identify a funds transfer order that on its face listed Huione Group as the financial institution of the originator or beneficiary, or otherwise referenced Huione Group in a manner detectable under the financial institution’s normal screening mechanisms. An appropriate screening mechanism could be the mechanisms used by a covered financial institution to comply with various legal requirements, such as commercially available software programs used to comply with the economic sanctions programs administered by the U.S. Department of the Treasury’s OFAC.

4. Recordkeeping and Reporting

Section 1010.664(b)(4) of the final rule does not impose any reporting requirement upon any covered financial institution that is not otherwise required by applicable law or regulation. A covered financial institution must, however, document its compliance with

¹¹⁵ See 31 CFR 1010.605(c)(2)(i).

¹¹⁶ See 31 CFR 1010.605(c)(2)(ii)–(iv).

the notification requirement described above in section 1010.664(b)(3).

V. Severability

If any of the provisions of this rule, or the application thereof to any person or circumstance, is held to be invalid, such invalidity shall not affect the application of such provisions to other persons or circumstances that can be given effect without the invalid provision or application.

The provisions of this rule can function sensibly if any specific provision or application is invalidated, enjoined or stayed. For example, if a court were to hold as invalid the application of the rule with respect to any identified Component of Huione Group, FinCEN would preserve the finding that all other Components of Huione Group are foreign financial institutions of primary money laundering concern. In such an instance, the provisions of the rule should remain in effect, as those provisions could function sensibly with respect to the remainder of Huione Group. In sum, in the event that any of the provisions of this rule, or the application thereof to any person or circumstance, is held to be invalid, FinCEN has crafted this rule with the intention to preserve its provisions to the fullest extent possible and any adverse holding should not affect other provisions.

VI. Regulatory Impact Analysis

FinCEN has analyzed this final rule under Executive Orders 12866, 13563, the Regulatory Flexibility Act,¹¹⁷ the Unfunded Mandates Reform Act,¹¹⁸ and the Paperwork Reduction Act.¹¹⁹

As discussed above, the intended effects of the imposition of special measure five to Huione Group are twofold. The rule is expected to: (1) combat and deter money laundering associated with Huione Group that facilitates proliferation financing; and (2) prevent Huione Group from using the U.S. financial system to enable its illicit finance behavior. In the analysis below, FinCEN discusses the economic effects that are expected to accompany adoption of the rule as proposed and assesses such expectations in more granular detail. This discussion includes an explanation of how FinCEN's assumptions and methodological choices have influenced FinCEN's conclusions.

A. Executive Orders

Executive Orders 12866 and 13563 direct agencies to assess costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility.

It has been determined that this final rule is not a significant regulatory action under section 3(f) of Executive Order 12866. Accordingly, a regulatory impact analysis is not required.

B. Regulatory Flexibility Act

When an agency issues a final rule, the Regulatory Flexibility Act (RFA) requires the agency to "prepare and make available for public comment a final regulatory flexibility analysis" (FRFA) that will "describe the impact of the proposed rule on small entities."¹²⁰ However, section 605 of the RFA allows an agency to certify a rule, in lieu of preparing an analysis, if the final rule is not expected to have a significant economic impact on a substantial number of small entities. While this final rule applies to all covered financial institutions as defined,¹²¹ FinCEN does not expect the rule to affect a substantial number of entities in practice, and FinCEN expects that few if any of these entities would meet the criteria necessary to be considered small entities for the purposes of the RFA.¹²² Furthermore, for the reasons described below, FinCEN assesses that even if a small entity was affected by the final rule these changes would not have a significant economic impact on such entities.¹²³

In addition to prohibiting covered financial institutions from opening or maintaining in the United States a correspondent account for, or on behalf of, Huione Group, this final rule requires covered financial institutions to take reasonable measures to detect use of correspondent accounts they do open or maintain to process transactions involving Huione Group. All U.S. persons, including U.S. financial institutions, currently must comply

with OFAC sanctions, and U.S. financial institutions generally have suspicious activity reporting requirements and systems in place to screen transactions for compliance with OFAC sanctions and section 311 special measures administered by FinCEN. The systems that U.S. financial institutions have in place to comply with these requirements can easily be modified to comply with this final rule. Thus, the special due diligence that is required under the final rule—*i.e.*, preventing the processing of transactions involving Huione Group and the transmittal of notification to certain correspondent account holders—would not impose a significant additional economic burden upon small U.S. financial institutions. For these reasons, FinCEN certifies that the requirements contained in this rulemaking would not have a significant impact on a substantial number of small businesses.

C. Unfunded Mandates Reform Act

Section 202 of the Unfunded Mandates Reform Act of 1995¹²⁴ (Unfunded Mandates Reform Act), requires that an agency prepare a budgetary impact statement before promulgating a rule that may result in expenditure by the state, local, and tribal governments, in the aggregate, or by the private sector, of USD 100 million or more in any one year, adjusted for inflation.¹²⁵ If a budgetary impact statement is required, section 202 of the Unfunded Mandates Reform Act also requires an agency to identify and consider a reasonable number of regulatory alternatives before promulgating a rule.¹²⁶

FinCEN has determined that this final rule will not result in expenditures by state, local, and tribal governments in the aggregate, or by the private sector, of an annual USD 100 million or more, adjusted for inflation (approximately USD 187 million).¹²⁷ Accordingly, FinCEN has not prepared a budgetary impact statement or specifically

¹²⁴ 2 U.S.C. 1532.

¹²⁵ *Id.*

¹²⁶ *Id.*

¹²⁷ The Unfunded Mandates Reform Act requires an assessment of mandates that will result in an annual expenditure of USD 100 million or more, adjusted for inflation. The U.S. Bureau of Economic Analysis reports the annual value of the gross domestic product (GDP) deflator for calendar year 1995, the year of the Unfunded Mandates Reform Act, as 66.939, and as 125.428 for calendar year 2024, the most recent annual value available. See U.S. Bureau of Economic Analysis, "Table 1.1.9. Implicit Price Deflators for Gross Domestic Product," <https://www.bea.gov/itable/> (last accessed Oct. 3, 2025). Thus, the inflation adjusted estimate for USD 100 million is $125.428/66.939 \times 100 =$ USD 187.377 million.

¹²⁰ 5 U.S.C. 603(a).

¹²¹ See note 3; see also Section IV.A.3 defining "covered financial institution."

¹²² 5 U.S.C. 601(3)–(5).

¹²³ See also *infra* Section V.D. annual average burden estimates per expected affected covered financial institution.

¹¹⁷ 5 U.S.C. 603.

¹¹⁸ 2 U.S.C. 1532.

¹¹⁹ 44 U.S.C. 3507(a)(1)(D).

addressed the regulatory alternatives considered.

D. Paperwork Reduction Act

The PRA imposes certain requirements on Federal agencies in connection with their conducting or sponsoring any collection of information as defined by the PRA. Under the PRA, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The new collections of information required by this final rule (31 CFR 1010.664) have been approved by OMB in accordance with the Paperwork Reduction Act of 1995 (PRA), 44 U.S.C. 3501 et seq., under control number 1506-0083.

The notification requirement in section 1010.664(b)(3)(i)(A) is intended

to aid cooperation from foreign correspondent account holders in preventing transactions involving Huione Group from being processed by the U.S. financial system. The information required to be maintained by section 664(b)(4) will be used by federal agencies and certain self-regulatory organizations to verify compliance by covered financial institutions with the notification requirement in section 1010.664(b)(3)(i)(A). The collection of information is mandatory.

In promulgating a final rule, FinCEN may revise estimates of anticipated PRA burden based on comments received in response to the NPRM and updates to the final rule and underlying data sources. FinCEN did not receive any comments with respect to the original

burden and cost estimates provided in the NPRM PRA,¹²⁸ and therefore, no responsive revisions were required. Further revisions to reflect updates to underlying data sources and harmonize the final rule PRA estimates with the broader portfolio of OMB control numbers assigned to 311 special measures are explained below.

Frequency: As required.

Description of Affected Financial Institutions: Only those covered financial institutions defined in section 1010.664(a)(3) that are engaged in correspondent banking with, or processing transactions potentially involving, Huione Group as defined in section 1010.664(b)(1) and (2) would be affected.

Estimated Number of Potential Respondents: Approximately 15,710.¹²⁹

TABLE 1—ESTIMATES OF COVERED FINANCIAL INSTITUTIONS BY TYPE

Financial institution type	Number of entities
Banks with a Federal Functional Regulator (FFR) ^a	^b 8,995
Banks without an FFR ^c	^d 395
Broker-dealers in securities ^e	^f 3,320
Open end mutual funds ^g	^h 2,036
Futures commission merchants ⁱ	^j 65
Introducing brokers in commodities ^k	^l 899

^a See 31 CFR 1010.100(t)(1); see also 31 CFR 1010.100(d).

^b Bank data is as of Jan. 17, 2025, from Federal Deposit Insurance Corporation BankFind (<https://banks.data.fdic.gov/bankfind-suite/bankfind>). Credit union data is as of Sep. 2024 from the National Credit Union Administration Quarterly Data Summary Reports (<https://ncua.gov/analysis/credit-union-corporate-call-report-data/quarterly-data-summary-reports>).

^c 31 CFR 1020.210(b).

^d The Board of Governors of the Federal Reserve System Master Account and Services Database contains data on financial institutions that utilize Reserve Bank financial services, including those with no federal regulator. FinCEN used this data to identify 395 banks and credit unions utilizing Reserve Bank financial services with no federal regulator. (<https://www.federalreserve.gov/paymentsystems/master-account-and-services-database-existing-access.htm>).

^e 31 CFR 1010.100(t)(2).

^f According to the Securities and Exchange Commission (SEC), there are 3,320 broker-dealers in securities as of Mar. 2025 from website “Company Information About Active Broker-Dealers” (<https://www.sec.gov/foia-services/frequently-requested-documents/company-information-about-active-broker-dealers>).

^g See 31 CFR 1010.100(t)(10); see also 31 CFR 1010.100(gg).

^h According to the SEC, in 2024 there were 2,036 open-end registered investment companies that report on Form N-CEN. (<https://www.sec.gov/dera/data/form-ncen-data-sets>).

ⁱ 31 CFR 1010.100(t)(8).

^j According to the Commodity Futures Trading Commission (CFTC), there are 65 futures commission merchants as of November 30, 2024. See *Financial Data for FCMs*, <https://www.cftc.gov/MarketReports/financialfcmdata/index.htm>.

^k 31 CFR 1010.100(t)(9).

^l According to the National Futures Association, there are 899 introducing brokers in commodities as of Dec. 31, 2024 from website “NFA Membership Totals” (<https://www.nfa.futures.org/registration-membership/membership-and-directories.html>).

Estimated Number of Expected Respondents: Approximately 127.¹³⁰

TABLE 2—ESTIMATES OF AFFECTED FINANCIAL INSTITUTIONS BY TYPE

Financial institution type	Number of entities
Banks with an FFR	^a 60
Banks without an FFR	^b 17
Broker-dealers in securities	^c 26
Open end mutual funds	^d 16

¹²⁸ See *supra* Section II.C for discussion of comment letters received.

¹²⁹ This estimate is informed by public and non-public data sources regarding both an expected maximum number of entities that may be affected

and the number of active, or currently reporting, registered financial institutions.

¹³⁰ While this regulation applies to all covered institutions described in Table 1, in practice the burden will only be imposed on select institutions that maintain correspondent accounts for foreign

banks. Table 2 below presents an estimate of this subpopulation of banks, brokers or dealers in securities, mutual funds, futures commission merchants, and introducing brokers in commodities based on data from the most recent calendar year end.

TABLE 2—ESTIMATES OF AFFECTED FINANCIAL INSTITUTIONS BY TYPE—Continued

Financial institution type	Number of entities
Futures commission merchants	e 1
Introducing brokers in commodities	f 7

^aData are from the FFIEC Central Data Repository for Reports of Condition and Income (Call Reports) and Uniform Bank Performance Reports (UBPRs), available for most FDIC-insured institutions. Using this source of data, FinCEN determines that as of Q3 2024, approximately 60 banks (as defined by FinCEN regulations, see 31 CFR 1010.100(d)) will be affected by this rule on any given year. Specifically, we determine that there are approximately 60 banks that report non-zero values for deposit liabilities of banks in foreign countries. Deposit liabilities in a foreign country is an indication that a bank maintains correspondent accounts with a foreign financial institution.

^bThe Board of Governors of the Federal Reserve System Master Account and Services Database contains data on financial institutions that utilize Reserve Bank financial services, including those with no federal regulator. FinCEN used this data to identify an additional 17 international banking entities with no federal regulator and that do not file Call Reports, but that are also likely to maintain correspondent accounts with a foreign financial institution.

^cBroker dealers, unless they are publicly traded, are not required to make reports indicating whether or not they have foreign correspondent accounts or hold foreign deposits. FinCEN reviewed financial statement data from 10–Q and 6–K filings with the SEC, and identified nine publicly traded broker dealers with US operations that reported foreign deposits. FinCEN also examined Suspicious Activity Reports (SARs) filed by broker dealers in 2024 to identify another two non-publicly traded broker dealers who appeared likely to be maintaining foreign deposits. However, because many broker dealers are not publicly traded and did not file SARs, FinCEN conservatively estimates that the proportion of broker dealers with foreign correspondent accounts will be similar to the proportion for banks (approximately 0.8%). 0.8% of 3,320 active broker dealers is approximately 26 broker dealers assumed to have foreign correspondent accounts.

^dMutual funds, futures commission merchants, and introducing brokers in commodities generally use intermediary US banks to move and maintain client deposits and funds for investment. Therefore, it is unlikely that many of these institutions will maintain direct correspondent accounts with foreign financial institutions outside of their existing upstream banking relationships. However, because these institutions may in some cases receive deposits from, make payments or other disbursements, or otherwise transact directly with foreign financial institutions, FinCEN conservatively estimates that the proportion of mutual funds with foreign correspondent accounts will be similar to the proportion for banks (approximately 0.8%). 0.8% of 2,036 active mutual funds is approximately 16 mutual funds assumed to have foreign correspondent accounts.

^e0.8% of 65 active futures commission merchants is approximately one futures commission merchants assumed to have foreign correspondent accounts.

^f0.8% of 899 active introducing brokers in commodities is approximately seven introducing brokers in commodities assumed to have foreign correspondent accounts.

Estimated Average Annual Burden in Hours per Affected Financial Institution: Imposing special measure five requirements as described in this final rule is expected to result in a new, incremental recordkeeping burden on certain covered financial institutions as described above. Each anticipated component of this is outlined below.

Each affected covered financial institution is expected to incur a recordkeeping burden associated with preparing and retaining the materials necessary to demonstrate compliance with the requirements contained in this final rule. This is expected to include records related to:

A. Documenting the reasonable steps the financial institution undertakes to ensure no transactions involving Huione Group are processed for a foreign correspondent account, including:

1. Any investigative activities undertaken when the financial institution knows or has reason to believe that a foreign bank’s correspondent account has been or is being used to process transactions involving Huione Group.

2. Any subsequent activities undertaken to prevent such access, including, where necessary, termination of the correspondent account.

B. Notifying, and documenting that the financial institution has provided notice to, foreign correspondent account holders that the financial institution knows or has reason to believe provide services to Huione Group, that such

correspondents may not provide Huione Group with access to the correspondent account maintained at the financial institution.

C. Documenting the reasonable steps the financial institution took with respect to special due diligence requirements, including but not limited to, the reasoning that informed decisions to adopt (or not adopt) new measures adding to its existing risk-based approach, and those new measures.

The estimated average annual burden associated with the collection of information in this final rule in the first year of operations is, in total, one business day, or eight hours per affected financial institution.

Estimated Total Annual Burden in Year One: Approximately 1,016 hours.¹³¹

Estimated Total Annual Cost in Year One: Approximately \$121,920.¹³²

¹³¹ 127 expected respondents multiplied by eight hours per respondent equals 1,016 total annual burden hours.

¹³² The wage rate applied here is a general composite hourly wage (\$84.55), scaled by a private-sector benefits factor of 1.42 (\$120.07 = \$84.55 × 1.42), that incorporates the mean wage data (available for download at <https://www.bls.gov/oes/tables.htm>, “May 2023—National industry-specific and by ownership”) associated with the six occupational codes (11–1010: Chief Executives; 11–3021: Computer and Information Systems Managers; 11–3031: Financial Managers; 13–1041: Compliance Officers; 23–1010: Lawyers and Judicial Law Clerks; 43–3099: Financial Clerks, All Other) for each of the nine groupings of NAICS industry codes that FinCEN determined are most

In subsequent years, FinCEN estimates that the average annual burden associated with the collection of information will be significantly reduced.¹³³ FinCEN expects that the primary ongoing burden of compliance with FinCEN special measures would primarily accrue in connection with the opening of new foreign correspondent accounts, at which point a covered financial institutions would need to ensure that new account holders receive information on entities subject to special measures and agree not to conduct transactions on their behalf. FinCEN has previously estimated that financial institutions that maintain foreign correspondent accounts will open an average of 10 new accounts per year.¹³⁴ FinCEN expects the time

directly comparable to its eleven categories of covered financial institutions as delineated in 31 CFR parts 1020 to 1030. The benefit factor is 1 plus the benefit/wages ratio, where as of June 2023, Total Benefits = 29.4 and Wages and salaries = 70.6 (29.4/70.6 = 0.42) based on the private industry workers series data downloaded from https://www.bls.gov/news.release/archives/ecec_09122023.pdf (accessed Dec. 22, 2024). Given that many occupations provide benefits beyond cash wages (e.g., insurance, paid leave, etc.), the private sector benefit is applied to reflect the total cost to the employer. 1,016 total annual burden hours multiplied by \$120 per hour equals a total annual cost of \$121,920.

¹³³ See *supra* Section VI.B discussion of how compliance with the final rule is expected to be integrated into covered financial institutions’ broader OFAC sanctions and 311 special measures compliance activities.

¹³⁴ See FinCEN, *Renewal Without Change of Prohibition on Correspondent Accounts for Foreign Shell Banks; Records Concerning Owners of Foreign*

burden of special measure compliance associated with these new accounts will not exceed 15 minutes (0.25 hours) per affected financial institution.

Table Three presents a summary of FinCEN’s estimates of PRA Burden as expected to accrue during the first three years in which the final rule is effective

and provides a basis for the expected average annual costs as estimated over the same time horizon.

TABLE 3—PRA THREE-YEAR PRO FORMA BURDEN ESTIMATES

Year	Number of respondents	Hours per respondent	Total burden hours
1	127	8.00	1,016.00
2	127	0.25	31.75
3	127	0.25	31.75
Average	127	2.83	359.83

Estimated Three-Year Average Aggregate Annual Burden:
Approximately 360¹³⁵ hours on average, per year.

Estimated Three-Year Average Aggregate Annual Cost: Approximately \$43,277.16.¹³⁶

VII. Regulatory Text

List of Subjects in 31 CFR Part 1010

Administrative practice and procedure, Banks, Banking, Brokers, Crime, Foreign banking, Terrorism.

Authority and Issuance

For the reasons set forth in the preamble, 31 CFR part 1010 is amended as follows:

PART 1010—GENERAL PROVISIONS

■ 1. The authority citation for part 1010 continues to read as follows:

Authority: 12 U.S.C. 1829b and 1951–1959; 31 U.S.C. 5311–5314, 5316–5336; title III, sec. 314 Pub. L. 107–56, 115 Stat. 307; sec. 2006, Pub. L. 114–41, 129 Stat. 457; sec. 701 Pub. L. 114–74, 129 Stat. 599; sec. 6403, Pub. L. 116–283, 134 Stat. 3388.

■ 2. Add 1010.664 to read as follows:

§ 1010.664 Special measures regarding Huione Group.

(a) *Definitions.* For purposes of this section, the following terms have the following meanings.

(1) *Huione Group.* The term “Huione Group” means all subsidiaries, branches, and offices of Huione Group operating as a financial institution in any jurisdiction outside of the United States, including Haowang Guarantee (formerly known as Huione Guarantee), Huione Pay PLC, and Huione Crypto Spółka Z Ograniczoną Odpowiedzialnością (d/b/a Huione Crypto).

(2) *Correspondent account.* The term “correspondent account” has the same

meaning as provided in 1010.605(c)(1)(ii).

(3) *Covered financial institution.* The term “covered financial institution” has the same meaning as provided in 1010.605(e)(1).

(4) *Foreign banking institution.* The term “foreign banking institution” means a bank organized under foreign law, or an agency, branch, or office located outside the United States of a bank. The term does not include an agent, agency, branch, or office within the United States of a bank organized under foreign law.

(5) *Subsidiary.* The term “subsidiary” means a company of which more than 50 percent of the voting stock or an otherwise controlling interest is owned by another company.

(b) *Prohibition on accounts and due diligence requirements for covered financial institutions—*

(1) *Prohibition on opening or maintaining correspondent accounts for Huione Group.* A covered financial institution shall not open or maintain in the United States a correspondent account for, or on behalf of, Huione Group.

(2) *Prohibition on processing transactions involving Huione Group.* A covered financial institution shall take reasonable steps not to process a transaction for the correspondent account in the United States of a foreign banking institution if such a transaction involves Huione Group.

(3) *Special due diligence of correspondent accounts to prohibit transactions.* (i) A covered financial institution shall apply special due diligence to its foreign correspondent accounts that is reasonably designed to guard against their use to process transactions involving Huione Group. At a minimum, that special due diligence must include:

(A) Notifying those foreign correspondent account holders that the covered financial institution knows or has reason to believe provide services to Huione Group that such correspondents may not provide Huione Group with access to the correspondent account maintained at the covered financial institution; and

(B) Taking reasonable steps to identify any use of its foreign correspondent accounts by Huione Group, to the extent that such use can be determined from transactional records maintained in the covered financial institution’s normal course of business.

(ii) A covered financial institution shall take a risk-based approach when deciding what, if any, other due diligence measures it reasonably must adopt to guard against the use of its foreign correspondent accounts to process transactions involving Huione Group.

(iii) A covered financial institution that knows or has reason to believe that a foreign bank’s correspondent account has been or is being used to process transactions involving Huione Group shall take all appropriate steps to further investigate and prevent such access, including the notification of its correspondent account holder under paragraph (b)(3)(i)(A) of this section and, where necessary, termination of the correspondent account.

(4) *Recordkeeping and reporting.* (i) A covered financial institution is required to document its compliance with the notification requirement set forth in this section.

(ii) Nothing in paragraph (b) of this section shall require a covered financial institution to report any information not

Banks and Agents for Service of Legal Process, 90 FR 21987, 21994 (May 22, 2025).

¹³⁵ This estimate is the average of 1,016 expected burden hours in year one of implementation and 31.75 hours in years two and three, respectively, rounded to the nearest whole hour.

¹³⁶ See *supra* note 132. An average annual burden of 63.5 hours over 3 years multiplied by \$120.07 per hour equals an average annual cost of \$43,277.16.

otherwise required to be reported by law
or regulation.

Andrea M. Gacki,

*Director, Financial Crimes Enforcement
Network.*

[FR Doc. 2025-19571 Filed 10-15-25; 8:45 am]

BILLING CODE 4810-02-P

Notices

Federal Register

Vol. 90, No. 198

Thursday, October 16, 2025

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA-2025-D-4500]

Dual Labeling for Fully Approved and Conditionally Approved New Animal Drugs With a New World Screwworm-Related Indication; Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA, the Agency, or we) is announcing the availability of a final guidance for industry (GFI) #299 entitled “Dual Labeling for Fully Approved and Conditionally Approved New Animal Drugs With a New World Screwworm-Related Indication.” This guidance is intended to inform new animal drug sponsors that dual labeling of a new animal drug product may include an intended use that is fully approved under section 512(b) of the Federal Food, Drug, and Cosmetic Act (FD&C Act) and an intended use that is conditionally approved under section 571 of the FD&C Act where the claim to be added to the existing product labeling is intended to treat or prevent New World screwworm myiasis.

DATES: The announcement of the guidance is published in the **Federal Register** on October 16, 2025.

ADDRESSES: You may submit either electronic or written/paper comments on Agency guidances at any time as follows:

Electronic Submissions

Submit electronic comments in the following way:

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically,

including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else’s Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see “Written/Paper Submissions” and “Instructions”).

Written/Paper Submissions

Submit written/paper submissions as follows:

- *Mail/Hand Delivery/Courier (for written/paper submissions):* Dockets Management Staff (HFA-305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in “Instructions.”

Instructions: All submissions received must include the Docket No. FDA-2025-D-4500 for “Dual Labeling for Fully Approved and Conditionally Approved New Animal Drugs With a New World Screwworm-Related Indication.” Received comments will be placed in the docket and, except for those submitted as “Confidential Submissions,” publicly viewable at <https://www.regulations.gov> or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240-402-7500.

- **Confidential Submissions**—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states

“THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.” The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on <https://www.regulations.gov>. Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as “confidential.” Any information marked as “confidential” will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA’s posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: <https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf>.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to <https://www.regulations.gov> and insert the docket number, found in brackets in the heading of this document, into the “Search” box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240-402-7500.

You may submit comments on any guidance at any time (see 21 CFR 10.115(g)(5)).

Submit written requests for single copies of the guidance to the Policy and Regulations Staff, Center for Veterinary Medicine, 5100 Campus Drive, College Park, MD 20740-3840. Send two self-addressed adhesive labels to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the guidance document.

FOR FURTHER INFORMATION CONTACT: ASKCVM@fda.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

We are announcing the availability of guidance for industry #299 entitled “Dual Labeling for Fully Approved and Conditionally Approved New Animal Drugs With a New World Screwworm-Related Indication.” We are issuing this

guidance consistent with our good guidance practices (GGP) regulation (§ 10.115 (21 CFR 10.115)). We are implementing this guidance without initially seeking prior public comment because we have determined that prior public participation is not feasible or appropriate (see § 10.115(g)(2)). We made this determination in light of the significant potential for a public health emergency associated with New World Screwworm, *Cochliomyia hominivorax*, (NWS).

NWS is a parasitic fly that lays eggs in and on open wounds and mucous membranes of warm-blooded animals. NWS can infest livestock, pets, wildlife, occasionally birds, and in rare cases, people. Although eradicated from North America and Central America decades ago, NWS has progressed north since 2022 and is approaching the U.S. border with Mexico. This parasite poses an emerging threat to livestock and food security, with potential impacts on both national security and animal health. In order to respond effectively and efficiently to this threat, FDA must act expeditiously to review and, where appropriate, approve or authorize animal drugs for NWS myiasis.¹ Such approvals may include conditional approvals under section 571 of the FD&C Act for new indications for products that are currently approved for a different indication(s) under section 512 of the FD&C Act.

Section 571(f)(2) of the FD&C Act permits the agency, through regulation or guidance, to determine under what conditions an intended use that is the subject of a conditional approval may be included in the same product label with any intended use approved under section 512 of the FD&C Act, *i.e.*, a full approval. The guidance document refers to this practice as “dual labeling.” While FDA intends to issue guidance in the future to more broadly address conditions under which it would consider dual labeling appropriate, FDA is issuing this guidance concerning products with indications for NWS at this time due to the particular need to act quickly and efficiently to address the imminent health threat of NWS.

Although this guidance document is immediately in effect, it remains subject to comment in accordance with FDA’s GGP regulation.

The guidance represents the current thinking of FDA on “Dual Labeling for Fully Approved and Conditionally Approved New Animal Drugs With a

New World Screwworm-Related Indication.” It does not establish any rights for any person and is not binding on FDA or the public. You can use an alternative approach if it satisfies the requirements of the applicable statutes and regulations.

II. Paperwork Reduction Act of 1995

While this guidance contains no new collection of information, it does refer to previously approved FDA collections of information. The previously approved collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3521). The collections of information in sections 512 and 571 of the FD&C Act (21 U.S.C. 360b) have been approved under 0910–0032. The collections of information in 21 CFR 514.80 have been approved under 0910–0284.

III. Electronic Access

Persons with access to the internet may obtain the document at <https://www.fda.gov/animal-veterinary/guidance-regulations/guidance-industry>, or <https://www.fda.gov/regulatory-information/search-fda-guidance-documents>, or <https://www.regulations.gov>.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2025–19565 Filed 10–15–25; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Modification of the National Customs Automation Program Test Regarding Periodic Monthly Statements

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: General notice.

SUMMARY: This document announces a change to the U.S. Customs and Border Protection’s (CBP) National Customs Automation Program (NCAP) test concerning Periodic Monthly Statements to reflect that test participants must transmit the payment of supplemental duty bills resulting from an underpayment of estimated duties, taxes, and fees electronically via Automated Clearinghouse (ACH). Except to the extent expressly announced or modified by this document, all aspects, rules, terms and

conditions announced in previous notices regarding the test remain in effect. For ease of reference, CBP is reproducing the entire test, with changes, in this document.

DATES: The modification announced in this test will become operational on December 15, 2025.

ADDRESSES: Comments concerning this test program may be submitted via email to Ryan Archer at ACECollections@cbp.dhs.gov with a subject line identifier reading, “Periodic Monthly Statements.”

FOR FURTHER INFORMATION CONTACT: For policy-related questions pertaining to ACH payment capabilities, contact Ryan Archer, Cargo Section Chief, Revenue Division at (317) 298–1200, ext. 1098 or at ACH-CUSTOMS@cbp.dhs.gov. For policy-related questions pertaining to billing, contact Jessica Vandemark, Financial Risk and Analysis Section Chief, Revenue Division at (317) 614–4811 or at billinginquiry@cbp.dhs.gov. For technical questions related to transmissions using the Automated Broker Interface (ABI), contact your assigned client representative. Interested parties without an assigned client representative should direct their questions to the Client Services Division at gmb.clientreputreach@cbp.dhs.gov.

SUPPLEMENTARY INFORMATION: On February 4, 2004, U.S. Customs and Border Protection (CBP) published a notice in the **Federal Register** that announced a plan to conduct a test concerning Periodic Monthly Statements (hereinafter, referred to as the “PMS test”). The PMS test allows an importer or an importer’s designated broker to deposit estimated duties, taxes, and fees on a monthly basis via Automated Clearinghouse (ACH) payment processes. See 69 FR 5362 (February 4, 2004). CBP modified and clarified the PMS test in fourteen (14) subsequent **Federal Register** notices published on: September 8, 2004 (69 FR 54302); February 1, 2005 (70 FR 5199); August 8, 2005 (70 FR 45736); September 22, 2005 (70 FR 55623); January 20, 2006 (71 FR 3315); June 2, 2006 (71 FR 32114); October 17, 2008 (73 FR 61891); December 12, 2016 (81 FR 89482); January 9, 2017 (82 FR 2385); January 17, 2017 (82 FR 4901); June 8, 2017 (82 FR 26699); June 30, 2017 (82 FR 29910); November 1, 2017 (82 FR 50656); and September 5, 2019 (84 FR 46749).

In addition to payment of estimated duties, taxes, and fees on a monthly basis, PMS test participants may also owe supplemental duties resulting from an underpayment of estimated duties, taxes, and fees. Currently, such

¹ We note that this guidance document is relevant to new animal drugs with approved and conditionally approved claims. Emergency Use Authorizations under section 564 of the FD&C Act are outside the scope of this guidance.

supplemental duty bills can be paid by check. In order to promote operational efficiency of CBP's payment processes, this document modifies the PMS test to reflect that test participants must transmit electronic payment of supplemental duty bills resulting from an underpayment of estimated duties, taxes, and fees attributable to entries which were originally paid on a monthly basis through the PMS test. Accordingly, supplemental duty bills attributable to entries originally paid on a monthly basis through PMS may no longer be paid by check. Test participants must choose between ACH Debit and ACH Credit payment processes to pay supplemental duty bills. For payment of supplemental duty bills via ACH Debit, test participants must establish a *Pay.gov* account and submit the electronic payment using *Pay.gov*. In order to make payments via ACH Credit, test participants must contact CBP at *ACH-CUSTOMS@cbp.dhs.gov* to obtain specific instructions for the payment. For both payment processes, test participants must provide the supplemental duty bill number and the payment amount being remitted for each bill. For additional details to pay supplemental duty bills by ACH Debit or ACH Credit, see <https://www.cbp.gov/trade/priority-issues/revenue/bill-payments>.

For ease of reference, this document republishes the PMS test in its entirety, with updates in section IV to reflect the modification made by this document in a new paragraph i., and a redesignation of paragraphs i. and j. to paragraphs j. and k., respectively.

I. Background on National Customs Automation Program

The National Customs Automation Program (NCAP) was established by Subtitle B of Title VI—Customs Modernization in the North American Free Trade Agreement (NAFTA) Implementation Act (Customs Modernization Act) (Pub. L. 103–182, 107 Stat. 2057, 2170, December 8, 1993) (19 U.S.C. 1411). Through NCAP, the thrust of customs modernization was on trade compliance and the development of the Automated Commercial Environment (ACE) as the electronic data interchange (EDI) system authorized by CBP. ACE is an automated and electronic system for commercial trade processing which is intended to streamline business processes, facilitate growth in trade, ensure cargo security, and foster participation in global commerce, while ensuring compliance with U.S. laws and regulations and reducing costs for CBP and all of its communities of interest.

The ability to meet these objectives depends on successfully modernizing CBP's business functions and the information technology that supports those functions. CBP's modernization efforts are accomplished through phased releases of ACE component functionality, which update the system and add new functionality.

II. Authorization for the Test

The Customs Modernization Act authorizes the Commissioner of CBP to conduct limited test programs or procedures designed to evaluate planned components of the NCAP. Section 101.9(b) of title 19 of the Code of the Federal Regulations (19 CFR 101.9(b)) provides for the testing of NCAP components. See T.D. 95–21 (60 FR 14211) (March 16, 1995).

III. Eligibility Criteria

To be eligible for participation in this test, importers and their designated brokers must:

1. Have the ability to connect to the internet;
2. Have the ability to make periodic payment via Automated Clearinghouse (ACH) Debit or ACH Credit;
3. Have the ability to file entry/entry summary via Automated Broker Interface (ABI);
4. Provide a bond covering the periodic payment of estimated duties, taxes, and fees; and
5. Maintain a good standing account with CBP.

IV. Description of the Test

Participants in the PMS test are required to schedule entries for monthly payment. A Periodic Monthly Statement will list Periodic Daily Statements that have been designated for monthly payment. CBP issues a Preliminary Periodic Monthly Statement for entries to test participants on a monthly basis. Test participants must then electronically deposit payment of the estimated duties, taxes, and fees attributable to the entries, with CBP, via ACH. Subsequently, CBP generates the Final Periodic Monthly Statement which serves as evidence of the payment of the Preliminary Periodic Monthly Statement through an ACH transaction. CBP offers two ACH payment options, ACH Debit and ACH Credit. Persons wishing to participate in the PMS test must enroll in either the ACH Debit process or ACH Credit process by submitting the respective information to CBP.¹

¹ CBP Form 400 for the ACH Debit application and CBP Form 401 for the ACH Credit application may be found on *CBP.gov*. The forms may either be

CBP allows all entries currently eligible for placement on a Daily Statement to be placed on a Periodic Daily Statement, with the exception of reconciliation entries, United States-Mexico-Canada Agreement (USMCA) duty deferral entries, and entries requiring the payment of excise taxes. Entries scheduled for monthly payment will be processed as follows:

a. As entries are filed with CBP, the importer or the importer's designated broker schedules them for monthly payment.

b. CBP posts all entries that are scheduled for monthly payment on the Preliminary Periodic Daily Statement.

c. The importer or the importer's designated broker processes entry summary presentation transactions for each Preliminary Periodic Daily Statement within 10 working days of the date of entry.

d. After summary information has been filed, CBP posts the scheduled entries on the Final Periodic Daily Statement.

e. Entries appearing on the Final Periodic Daily Statement and scheduled for monthly payment appear on the Preliminary Periodic Monthly Statement. CBP will generate the Preliminary Periodic Monthly Statement by the 11th calendar day of the month following the month in which the merchandise is either entered or released, whichever comes first, unless the importer or the importer's designated broker selects an earlier date.

f. ACH Debit participants are required to submit one debit authorization for each Preliminary Periodic Daily Statement at any time from the creation of the Preliminary Periodic Daily Statement until the creation of the related Preliminary Periodic Monthly Statement. If an ACH Debit participant fails to submit an ACH Debit authorization for a Preliminary Periodic Daily Statement within 10 working days of the date of entry, payment for the Preliminary Periodic Daily Statement is considered late; however, the ACH Debit participant will still be permitted to submit the ACH Debit authorization. CBP will transmit the debit authorizations compiled in the Preliminary Periodic Monthly Statement to the financial institution on the 15th working day of the month following the month in which the merchandise is either entered or released, whichever comes first, unless the importer or the importer's designated broker selects an earlier date. ACH Debit participants must ensure that the money amount

emailed to CBP at *ACH-Customs@cbp.dhs.gov* or mailed to CBP at the address provided on *CBP.gov*.

identified on the Preliminary Periodic Monthly Statement is, in fact, available in their bank account by the 15th working day of that month.

g. For ACH Credit participants, CBP must receive the ACH Credit payment no later than the 15th day of the month following the month in which the merchandise scheduled for monthly processing is either entered or released, whichever comes first, or if that day falls on a weekend or holiday, the business day directly preceding such weekend or holiday, unless the importer or the importer's designated broker selects an earlier date.

h. For both ACH Debit and ACH Credit participants, once CBP receives confirmation from the Department of the Treasury that the funds are available and transferred to CBP (which marks the completion of the funds transfer), then CBP will: (1) issue the Final Periodic Monthly Statement and identify it as paid; (2) transmit the Final Periodic Monthly Statement to the importer or the importer's designated broker; and (3) treat the date of CBP's acceptance of the ACH Debit or ACH Credit payment as the effective payment date of the Periodic Monthly Statement for purposes of the calculation of interest and/or liquidated damages, if applicable. CBP will generate the Final Periodic Monthly Statement on the night that payment is processed.

i. CBP will issue a supplemental duty bill via a CBP Bill Form reflecting the difference between the duties, taxes, and fees assessed by CBP at liquidation of an entry and the total estimated duties, taxes, and fees deposited by the importer or the importer's designated broker. Test participants must transmit electronic payment of supplemental duty bills resulting from the underpayment of estimated duties, taxes, and fees via ACH Debit or ACH Credit. For payment of supplemental duty bills via ACH Debit, test participants must establish a *Pay.gov* account and submit the electronic payment using *Pay.gov*. For payment of supplemental duty bills via ACH Credit, test participants must contact CBP at *ACH-CUSTOMS@cbp.dhs.gov* to obtain specific instructions for payment. For both ACH payment processes, test participants must provide the supplemental duty bill number and the payment amount being remitted for each bill. Additional information related to these electronic bill payment options can be found at <https://www.cbp.gov/trade/priority-issues/revenue/bill-payments>.

j. An importer or an importer's designated broker choosing to file a single entry involving split shipments

consistent with the provisions of 19 CFR 141.57(d)(1) or unassembled or disassembled entities consistent with the provisions of 19 CFR 141.58(d)(1) may pay estimated duties, taxes, and fees attributable to those entries through the method set forth in the PMS test. The date of filing of that entry identifies the month in which entry is filed and establishes the obligation to pay estimated duties, taxes, and fees by the 15th working day of the month following the month in which entry is filed.

k. An importer or an importer's designated broker choosing to file incremental entries involving split shipments consistent with the provisions of 19 CFR 141.57(d)(2) or unassembled or disassembled entities consistent with the provisions 19 CFR 141.58(d)(2) as a special permit for immediate delivery after the arrival of the first portion (Incremental Release) also may pay estimated duties, taxes, and fees attributable to that entry through the method set forth in the PMS test. The date that the importer or the importer's designated broker obtains release of the first portion of the entry (as provided in 19 CFR 141.57(e) or 19 CFR 141.58(e)) will identify the month that the entry is filed and establishes the obligation to pay estimated duties, taxes, and fees by the 15th working day of the month following the month in which entry is filed.

Participants should note that if they voluntarily remove an entry from a Periodic Daily Statement before expiration of the 10-working-day period after release, that entry may be placed on another Periodic Daily Statement falling within the same 10-working-day period. If, however, participants remove an entry from a Periodic Daily Statement after expiration of the 10-working-day period after release, the entry may be the subject of a claim for liquidated damages for late payment.

V. Misconduct Under the Test

If a test participant fails to follow the terms and conditions of this test, fails to exercise reasonable care in the execution of participant obligations, fails to abide by applicable laws and regulations, fails to deposit duties, taxes, and fees in a timely manner, misuses the ACE Portal, engages in any unauthorized disclosure or access to the ACE Portal, or engages in any activity which interferes with the successful evaluation of the technology, the participant may be subject to civil and criminal penalties, administrative sanctions, liquidated damages, and/or suspension from this test.

Suspensions for misconduct will be administered by the Director, Revenue Division. A notice proposing suspension will be provided in writing to the participant. Such notice will apprise the participant of the facts or conduct warranting suspension and will inform the participant of the date that the suspension will begin. Any decision proposing suspension of a participant may be appealed to the Director, Revenue Division, within 15 calendar days of the notification date. Should the participant appeal the notice of proposed suspension, the participant must address the facts or conduct charges contained in the notice and state how compliance will be achieved. In cases of non-payment, late payment, willful misconduct or where public health interests or safety are concerned, the suspension may be effective immediately.

VI. Confidentiality

Data submitted and entered into ACE may include confidential commercial or financial information which may be protected under the Trade Secrets Act (18 U.S.C. 1905), the Freedom of Information Act (5 U.S.C. 552), and the Privacy Act (5 U.S.C. 552a). However, participation in this or any of the previous ACE tests is not confidential and, therefore, upon receipt of a written Freedom of Information Act request, the name(s) of an approved participant(s) will be disclosed by CBP in accordance with 5 U.S.C. 552.

VII. Paperwork Reduction Act

The Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3507(d)) requires that CBP consider the impact of paperwork and other information collection burdens imposed on the public. An agency may not conduct, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number assigned by the Office of Management and Budget (OMB). In accordance with the requirements of the PRA, the ACH information collection, under OMB control number 1651-0078, will be updated to inform respondents how to voluntarily participate in the PMS test, and submitted to OMB for approval.

ACH Debit

Estimated Number of Respondents: 6,710.

Estimated Number of Total Annual Responses: 6,710.

Estimated Time per Response: 5 minutes.

Estimated Total Annual Burden Hours: 559.

ACH Credit

Estimated Number of Respondents: 144.

Estimated Number of Total Annual Responses: 144.

Estimated Time per Response: 5 minutes.

Estimated Total Annual Burden Hours: 12.

VIII. Suspension of Regulations

For purposes of this test, any provision in title 19 of the CFR including, but not limited to, the provisions found in parts 24, 141, 142, and 143 thereof relating to entry summary filing and processing that are inconsistent with the requirements set forth in this notice are waived for the duration of the test. See 19 CFR 101.9(b). This document does not waive any recordkeeping requirements found in 19 CFR part 163 and the Appendix to part 163 (commonly known as the “(a)(1)(A) list”).

Susan S. Thomas,

*Acting Executive Assistant Commissioner,
Office of Trade.*

[FR Doc. 2025–19572 Filed 10–15–25; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY**Immigration Parole Fee Required by HR–1 Reconciliation Bill**

AGENCY: U.S. Department of Homeland Security.

ACTION: Notice of immigration fee.

SUMMARY: The Department of Homeland Security (DHS) is announcing the implementation of the parole fee established in HR–1. Specifically, this notice announces the new immigration parole fee of \$1,000 for any alien who is paroled into the United States who does not meet an exception. Through this notice, DHS notifies the public that DHS will begin assessing and collecting this fee as required by HR–1.

DATES: This action is effective on October 16, 2025. The parole fee will apply for any alien that has a request for parole filed or pending prior to the effective date of this notice because the fee attaches when an alien is paroled into the United States.

FOR FURTHER INFORMATION CONTACT: Contacts for each component:

Office of Regulatory Affairs and Policy, U.S. Immigration and Customs Enforcement, Department of Homeland Security, 500 12th Street SW, Washington, DC 20536; telephone (202) 732–6960 (not a toll-free call).

Office of Chief Financial Officer, U.S. Citizenship and Immigration Services, Department of Homeland Security, 5900 Capital Gateway Drive, Camp Springs, MD 20746, telephone (240) 721–3000 (not a toll-free number).

Office of Field Operations, U.S. Customs and Border Protection, Department of Homeland Security, 1300 Pennsylvania Avenue NW, Suite 1500N, Washington, DC 20229, email address: parolenotification@cbp.dhs.gov.

SUPPLEMENTARY INFORMATION:**I. Background and Authority**

On July 4, 2025, the President signed into law the One Big Beautiful Bill Act, Public Law 119–21, 139 Stat. 72 (HR–1). HR–1 was a comprehensive legislative package that changed many laws and added new laws that touch many areas of the United States Government. Among those changes, the law established several new fees related to immigration enforcement and lawful immigration programs.¹ The new immigration fees codified in HR–1 will be imposed on aliens in addition to any other fees authorized by law and by the Secretary of Homeland Security.² The fees are set for Fiscal Year (FY) 2025 and are, as established by statute, subject to annual increases based on the Consumer Price Index for All Urban Consumers.³

DHS has already issued three notices implementing the new fees.⁴ The U.S. Citizenship and Immigration Services (USCIS) notice issued on July 22, 2025, noted that DHS was not announcing the immigration parole fee at that time because the multiple exceptions needed additional consideration.⁵ DHS reviewed the exceptions and now believes that the fee can be implemented without further delay. This notice, therefore, implements the immigration parole fee. U.S. Customs and Border Protection (CBP), U.S. Immigration and Customs Enforcement (ICE), and USCIS will issue appropriate guidance and create or update forms, if necessary.

II. Parole

The Immigration and Nationality Act (“INA”) confers upon the Secretary of Homeland Security (“Secretary”) the

¹ See HR–1, Title X, Subtitle A, Part I, sections 100001 through 100018.

² See *id.*

³ See *id.*

⁴ USCIS Immigration Fees Required by HR–1 Reconciliation Bill, 90 FR 34511 (July 22, 2025) (USCIS Notice); CBP Immigration Fees Required by HR–1 for Fiscal Year 2025, 90 FR 42025 (Aug. 28, 2025); and Certain DHS Immigration Enforcement-Related Fees Required by HR–1 Reconciliation Bill, 90 FR 43223 (Sept. 8, 2025).

⁵ See 90 FR 34511 at 34516.

discretionary authority to parole an applicant for admission into the United States “temporarily under such conditions as [DHS] may prescribe only on a case-by-case basis for urgent humanitarian reasons or significant public benefit.”⁶ Moreover, an applicant for admission in DHS custody may be released pursuant to a parole under INA sec. 212(d)(5)(A), 8 U.S.C. 1182(d)(5)(A), for urgent humanitarian reasons or significant public benefit as long as the alien presents “neither a security risk nor a risk of absconding.”⁷ When the purpose of the temporary, discretionary parole has been served, the alien is required to “return or be returned to the custody from which he was paroled and thereafter his case shall continue to be dealt with in the same manner as that of any other applicant for admission to the United States.”⁸

DHS may authorize parole for aliens outside the United States who must travel to a U.S. port of entry to seek parole.⁹ However, CBP has final discretionary authority to grant parole to aliens who appear for inspection at a U.S. port of entry.¹⁰ USCIS and ICE have final discretionary authority to grant parole to any alien applicant for admission within their responsibility who is physically present in the United States.¹¹

III. New Immigration Parole Fee

This notice announces the imposition and collection of the new immigration parole fee of \$1,000 for FY 2025 pursuant to HR–1. The fee must be paid by “any alien who is paroled into the United States.”¹² DHS interprets this to

⁶ See INA 212(d)(5)(A), 8 U.S.C. 1182(d)(5)(A); see also 8 CFR 212.5(a) and (c) through (e) (discretionary authority for establishing conditions of parole and for terminating parole).

⁷ 8 CFR 212.5(b).

⁸ INA 212(d)(5)(A), 8 U.S.C. 1182(d)(5)(A).

⁹ 8 CFR 212.5(f).

¹⁰ See *Memorandum of Agreement Between United States Citizenship and Immigration Services (USCIS), United States Immigration and Customs Enforcement (ICE), and United States Customs and Border Protection (CBP) for the Purpose of Coordinating the Concurrent Exercise by USCIS, ICE, and CBP, of the Secretary’s Parole Authority Under INA sec. 212(d)(5)(A) with Respect to Certain Aliens Located Outside of the United States*, dated Sept. 29, 2008 (relating to USCIS’s, ICE’s, and CBP’s concurrent exercise of parole authority and the framework governing which DHS component is to exercise jurisdiction over parole requests).

¹¹ See *id.*

¹² See Public Law 119–21 sec. 100004. See Markup of legislative proposals to comply with the reconciliation directive included in section 2001 of the Concurrent Resolution on the Budget for Fiscal Year 2025, H. Con. Res. 14, April 30, 2025, at <https://www.congress.gov/event/119th-congress/house-event/118180> (last visited Sept. 12, 2025) (noting that the legislation is “a mandate to restore immigration integrity, security, and enforcement”).

mean that each time an alien is granted parole under INA sec. 212(d)(5)(A), 8 U.S.C. 1182(d)(5)(A), including initial parole from outside the United States, Congressionally-authorized “parole in place,” re-parole, or parole from DHS custody, the fee will be required. The fee will not be due when an application is merely submitted or when a travel document is issued, but rather, DHS will collect the \$1,000 fee after it determines that the alien merits a grant of parole as a matter of discretion and the alien either appears for inspection at a port of entry or is already physically present in the United States.

The operative event that triggers the statutory obligation to pay the fee is the actual grant and effectuation of parole at or into the United States—not the filing of an application or request. The timing of the fee attaches when parole is effectuated, regardless of when the underlying application or request was submitted. This means that any parole granted on or after the effective date of this notice must be conditioned on payment of the fee unless an exception applies, even if the request for parole was filed or remained pending prior to October 16, 2025.

HR–1 provides ten exceptions to the \$1,000 fee provided the alien establishes to the satisfaction of the Secretary of Homeland Security that the alien is being paroled because of one of the enumerated exceptions:

(1) The alien has a medical emergency and the alien cannot obtain necessary treatment in the foreign state in which the alien is residing; or the medical emergency is life-threatening and there is insufficient time for the alien to be admitted to the United States through the normal visa process;

(2) The alien is the parent or legal guardian of an alien described in paragraph (1) and the alien described in paragraph (1) is a minor;

(3) The alien is needed in the United States to donate an organ or other tissue for transplant; and there is insufficient time for the alien to be admitted to the United States through the normal visa process;

(4) The alien has a close family member in the United States whose death is imminent; and the alien could not arrive in the United States in time to see such family member alive if the alien were to be admitted to the United States through the normal visa process;

(5) The alien is seeking to attend the funeral of a close family member; and the alien could not arrive in the United States in time to attend such funeral if the alien were to be admitted to the United States through the normal visa process;

(6) The alien is an adopted child who has an urgent medical condition; who is in the legal custody of the petitioner for a final adoption-related visa; and whose medical treatment is required before the expected award of a final adoption-related visa;

(7) The alien is a lawful applicant for adjustment of status under section 245 of the INA (8 U.S.C. 1255); and is returning to the United States after temporary travel abroad;

(8) The alien has been returned to a contiguous country pursuant to section 235(b)(2)(C) of the INA (8 U.S.C. 1225(b)(2)(C)); and is being paroled into the United States to allow the alien to attend the alien’s immigration hearing;

(9) The alien has been granted the status of Cuban and Haitian entrant (as defined in section 501(e) of the Refugee Education Assistance Act of 1980 (Pub. L. 96–422; 8 U.S.C. 1522 note); or

(10) The Secretary of Homeland Security determines that a significant public benefit has resulted or will result from the parole of an alien who has assisted or will assist the United States Government in a law enforcement matter; whose presence is required by the United States Government in furtherance of such law enforcement matter; and who is inadmissible or does not satisfy the eligibility requirements for admission as a nonimmigrant or for which there is insufficient time for the alien to be admitted to the United States through the normal visa process.¹³

The HR–1 fee will not be assessed if DHS finds, in its discretion, that the alien has established that the alien is being paroled under one of the ten enumerated exceptions.

IV. Collection

CBP will collect the parole fee described in this notice for aliens who apply for admission to the United States if (1) the alien requests parole by presenting themselves for inspection at a U.S. port of entry (including aliens who have been authorized by another DHS agency to travel to the port of entry and seek parole); (2) CBP, in its discretion, determines that the alien should be granted parole under INA sec. 212(d)(5)(A); and (3) the alien does not demonstrate, in CBP’s discretion, they are eligible for a fee exception pursuant to H.R. 1, Public Law 119–21, 139 Stat. 367–68 (8 U.S.C. 1804). If CBP determines that an alien should be granted parole and the alien is subject to the parole fee described in this notice, CBP will notify the alien of the applicability of the parole fee and

provide instructions on how to pay the fee required as of October 16, 2025.

ICE will collect the fee when it grants parole under INA sec. 212(d)(5)(A) to aliens within its responsibility who are physically present in the United States. ICE will individually notify aliens to whom the \$1,000 fee applies and, upon notification, provide instructions on how to pay the fee required as of October 16, 2025.

USCIS will collect the HR–1 fee when it grants parole under INA sec. 212(d)(5)(A) to aliens within its responsibility who are physically present in the United States. Beginning on October 16, 2025, when USCIS decides to favorably adjudicate a Form I–131 for parole in place or re-parole for aliens physically present in the United States, USCIS will issue a notice prior to final adjudication stating that the parole approval is conditioned upon payment of the HR–1 parole fee. This notice will contain payment instructions and a deadline. Parole will only be granted after the fee has been paid. Failure to pay within the time period provided in the conditional approval notice would result in denial of the request.

V. Paperwork Reduction Act

Under the Paperwork Reduction Act (PRA), 44 U.S.C. chapter 35, all Departments are required to be submitted to the Office of Management and Budget (OMB), for review and approval, of any new reporting requirements they impose. The process announced by this notice requires the use of USCIS Form I–131, Application for Travel Documents, Parole Documents, and Arrival/Departure Records, (OMB control number 1615–0013) but does not require any edits to the form or instructions.

Kristi Noem,

Secretary, U.S. Department of Homeland Security.

[FR Doc. 2025–19564 Filed 10–15–25; 8:45 am]

BILLING CODE 9112–FP–P

POSTAL SERVICE

International Product Change—Priority Mail Express International, Priority Mail International & First-Class Package International Service Agreements

AGENCY: Postal Service.

ACTION: Notice.

SUMMARY: The Postal Service gives notice of filing requests with the Postal Regulatory Commission to add certain Priority Mail Express International, Priority Mail International & First-Class

¹³ Public Law 119–21 sec. 100004(b).

Package International Service contracts to the list of Negotiated Service Agreements in the Competitive Product List in the Mail Classification Schedule.
DATES: Date of notice: October 16, 2025.

FOR FURTHER INFORMATION CONTACT: Christopher C. Meyerson, (202) 268-7820.
SUPPLEMENTARY INFORMATION: The United States Postal Service hereby

gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), it filed with the Postal Regulatory Commission the following requests:

Date filed with Postal Regulatory Commission	Negotiated service agreement product category and No.	MC docket No.	K docket No.
10/8/2025	PMEI, PMI & FCPIS 92	MC2026-10	K2026-10
10/9/2025	PMEI, PMI & FCPIS 93	MC2026-13	K2026-14

Documents are available at www.prc.gov.

Colleen Hibbert-Kapler,
 Attorney, Ethics and Legal Compliance.
 [FR Doc. 2025-19570 Filed 10-15-25; 8:45 am]
BILLING CODE 7710-12-P

POSTAL SERVICE

Product Change—Priority Mail Express, Priority Mail, and USPS Ground Advantage Negotiated Service Agreements; Priority Mail and USPS Ground Advantage Negotiated Service Agreements; Priority Mail

AGENCY: Postal Service.
ACTION: Notice.

SUMMARY: The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a

domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule's Competitive Products List.

DATES: Date of notice: October 16, 2025.

FOR FURTHER INFORMATION CONTACT: Sean C. Robinson, 202-268-8405.

SUPPLEMENTARY INFORMATION: The United States Postal Service hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), it filed with the Postal Regulatory Commission the following requests:

Date filed with Postal Regulatory Commission	Negotiated service agreement product category and No.	MC Docket No.	K Docket No.
09/26/25	PME-PM-GA 1424	MC2025-1722	K2025-1713
09/30/25	PM-GA 870	MC2025-1723	K2025-1714
09/30/25	PM-GA 871	MC2025-1724	K2025-1715
09/30/25	PME-PM-GA 1425	MC2025-1725	K2025-1716
09/30/25	PM-GA 872	MC2025-1726	K2025-1717
09/30/25	PME-PM-GA 1426	MC2025-1727	K2025-1718
09/30/25	PM-933	MC2025-1728	K2025-1719
09/30/25	PM-934	MC2025-1730	K2025-1721
09/30/25	PM-GA 873	MC2025-1729	K2025-1720
09/30/25	PME-PM-GA 1427	MC2025-1731	K2025-1722
09/30/25	PM-GA 874	MC2025-1733	K2025-1724
09/30/25	PM-GA 875	MC2025-1734	K2025-1725
10/01/25	PME-PM-GA 1428	MC2026-1	K2026-1
10/01/25	PM 935	MC2026-2	K2026-2
10/01/25	PME-PM-GA 1429	MC2026-3	K2026-3
10/01/25	PM-936	MC2026-4	K2026-4
10/02/25	PME-PM-GA 1430	MC2026-5	K2026-5
10/02/25	PME-PM-GA 1431	MC2026-6	K2026-6
10/03/25	PME-PM-GA 1432	MC2026-7	K2026-7
10/03/25	PME-PM-GA 1433	MC2026-8	K2026-8
10/03/25	PME-PM-GA 1434	MC2026-9	K2026-9
10/06/25	PME-PM-GA 1435	MC2026-11	K2026-12
10/06/25	PME-PM-GA 1436	MC2026-12	K2026-13
10/07/25	PM-GA 876	MC2026-14	K2026-15
10/07/25	PME-PM-GA 1437	MC2026-15	K2026-16
10/08/25	PM-GA 877	MC2026-16	K2026-17
10/08/25	PME-PM-GA 1438	MC2026-17	K2026-18
10/09/25	PM-GA 878	MC2026-18	K2026-19
10/09/25	PM-GA 879	MC2026-19	K2026-20

Documents are available at www.prc.gov.

Colleen Hibbert-Kapler,
 Attorney, Ethics and Legal Compliance.
 [FR Doc. 2025-19567 Filed 10-15-25; 8:45 am]
BILLING CODE 7710-12-P

**OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE**

**Notice of Modification and Proposed
Modification of Section 301 Action:
China's Targeting of the Maritime,
Logistics, and Shipbuilding Sectors for
Dominance**

AGENCY: Office of the United States Trade Representative (USTR).

ACTION: Notice of modification, proposed modification of action, and request for comments.

SUMMARY: In notices published on April 23, 2025, and June 12, 2025, the U.S. Trade Representative proposed certain modifications to the actions being taken in this investigation. This notice announces a determination by the U.S. Trade Representative to modify the action by: altering the fee basis and rate for vehicle carrier vessels as provided in Annex III of the April 23 notice, and by exempting operators of vessels in the Maritime Security Program; eliminating paragraph (j) of Annex IV of the April 23 notice, which provided that USTR could direct the suspension of licensing for liquefied natural gas (LNG) shipments if the schedule of restrictions set forth in Annex IV was not met; and imposing additional duties of 100 percent on ship-to-shore (STS) cranes and duties of 100 percent on certain cargo handling equipment of China as described in Annex V.A of this notice. In addition, the U.S. Trade Representative is proposing further modifications to certain aspects of the responsive action. This notice announces the opening of a public comment docket for interested parties to comment on the proposed further modifications. This notice also sets forth ministerial clarifications to provide greater certainty on the operation of the action being taken in this investigation.

DATES:

April 17, 2025: The removal of Annex IV, paragraph (j), is effective as of this date.

October 10, 2025: Comment period opens regarding the proposed further modifications to the action, as provided in this notice. The service fee schedule modifications to Annex III of the April 23 notice, as provided in this Notice, are effective as of this date.

November 9, 2025: Additional duties on STS cranes and intermodal chassis and parts, as provided for in Annex V.A of this Notice, are effective as of this date.

November 10, 2025: To be assured of consideration, submit written comments regarding the proposed modifications to

the action being taken in this investigation.

ADDRESSES: Submit documents in response to this notice, through USTR's electronic portal: <https://comments.ustr.gov/s/>. The docket number for written comments is USTR-2025-0017.

FOR FURTHER INFORMATION CONTACT:

Philip Butler, Chair of the Section 301 Committee; Thomas Au, Associate General Counsel; or David Salkeld, Assistant General Counsel at (202) 395-5725.

SUPPLEMENTARY INFORMATION:

A. Background

For background on the proceedings in this investigation, please see the prior notices issued in this investigation, including 89 FR 29424 (April 22, 2024), 90 FR 8089 (January 23, 2025), and 90 FR 10843 (February 27, 2025).

On April 17, 2025, pursuant to sections 301(b), 301(c), and 304(a) of the Trade Act of 1974, as amended (19 U.S.C. 2411(b), 2411(c), and 2414(a)), and following consideration of public comments, as well as consultations with advisory committees and the Section 301 Committee, the U.S. Trade Representative determined to take action in this investigation. *See* 90 FR 17114 (April 23, 2025) (April 23 notice).

Through Executive Order 14269, *Restoring America's Maritime Dominance*, the President directed the U.S. Trade Representative to consider proposing the following actions in this investigation: “(i) tariffs on ship-to-shore cranes manufactured, assembled, or made using components of PRC origin, or manufactured anywhere in the world by a company owned, controlled, or substantially influenced by a PRC national; and (ii) tariffs on other cargo handling equipment.”

Consistent with the President's direction in Executive Order 14269, the U.S. Trade Representative proposed additional duties on STS cranes and on an initial list of other cargo handling equipment. *See* 90 FR 17114, 17124-5. On May 19, 2025, USTR held a public hearing regarding the proposed additional duties and received testimony from seven witnesses.

On June 6, 2025, the U.S. Trade Representative proposed to modify the action in this investigation in several respects, including by eliminating paragraph (j) of Annex IV of the April 23 notice, retroactive to April 17, 2025. *See* 90 FR 24856-60 (June 12, 2025) (June 12 notice). Under that provision, USTR could direct the suspension of LNG export licenses until the terms of paragraph (f) of Annex IV were met. The

June 12 notice also included a proposal to modify Annex III of the April 23 notice, by altering the basis of the fee in the annex to net tons and by providing for a targeted coverage provision to exempt operators of vessels in the Maritime Security Program.

B. Modification of Action

Section 307(a)(1) of the Trade Act authorizes the Trade Representative to modify any action being taken under Section 301, subject to the specific direction of the President, including if such action being taken under Section 301(b) is no longer appropriate. The term “appropriate” refers to Section 301(b), which requires the U.S. Trade Representative to “take all appropriate and feasible action authorized under [section 301(c)] to obtain the elimination of [the] act, policy, or practice.” The specific action that will obtain the elimination of an act, policy, or practice is a matter of predictive judgment, to be exercised by the U.S. Trade Representative, and subject to any specific direction of the President. Such appropriate action includes action to obtain a reversal of the investigated acts, policies, or practices.

In consideration of the public comments received in response to the April 23 notice and June 12 notice, advice from the Section 301 Committee, and consultations with petitioners and advisory committees, the U.S. Trade Representative has determined that certain aspects of the action are no longer appropriate, and that changes to the action are warranted to obtain a reversal of the investigated acts, policies, or practices, considering the potential to reduce dependence on China, and the specific direction of the President to consider imposing tariffs on other cargo handling equipment of China, which may significantly increase leverage on China to eliminate the investigated acts, policies, and practices.

The U.S. Trade Representative has determined that it is appropriate to modify the action by:

- altering the fee basis and service fee rate, and providing certain targeted coverage, for Annex III of the April 23 notice;
- eliminating paragraph (j) of Annex IV of the April 23 notice, retroactive to April 17, 2025; and
- imposing duties on STS cranes, intermodal chassis, and chassis parts of China, as described in Annex V.A of this Notice.

B. Responses to Significant Comments

Below, USTR responds to comments on the proposed modifications that raise significant issues.

Proposed Modifications to Annex III of the April 23 Notice

Fee Basis and Rate

USTR requested comments on the potential impact of a fee on vessel operators of foreign-built vehicle carriers based on net tons, as well as the suggested amount of the fee, and the implications of a targeted coverage provision for the Maritime Security Program and suggested duration for such targeted coverage.

Several responsive comments supported modifying the basis for the service fee from Car Equivalent Units (CEU) to net tons, as a CEU basis could be manipulated and is assessed based on outdated vehicle measurements, whereas net tons are a measurement used by the United States Government. Some comments cautioned that a net-tons-based service fee could result in disproportionately higher fees on roll-on/roll-off vessels, as net tonnage is a measurement of interior volume, and roll-on/roll-off vessels have larger enclosed interiors proportionate to their overall size compared with other classes of vessels. Some comments suggested applying the fee on a “Car Unit” discharged basis. Some comments raised concerns of potential increased costs and possible impact on exports arising from the service fee. A number of comments raised concerns that the proposed service fee rate of \$14 per net ton is too low, and calculated that the proposed rate of \$14 per net ton is less than the projected the Car Equivalent Unit basis fee imposed in Annex III of the April 23 notice. Two comments affirmatively supported the \$14 per net ton fee level.

In response to comments that argued that the service fee on vessel operators of foreign-built vehicle carriers was not subject to full public consultation, USTR disagrees. Regarding comments that argued that the Trade Representative’s determination to apply a service fee on vessel operators of foreign-built vehicle carriers was not subject to full public consultation, these comments are outside the scope of proposed modifications on which USTR requested comments. However, the service fee on vessel operators of foreign-built vehicle carriers was a logical outgrowth of USTR’s proposed service fee on maritime transport operators. See 90 FR 10843, 10844–5 (Feb. 27, 2025). Initially, USTR proposed a service fee on maritime

transport operators, including potential fees on a nondiscriminatory basis, and provided a number of alternatives. USTR requested comments on the alternatives and specifically whether the proposed fees were appropriate and would be practicable or effective to obtain the elimination of China’s acts, policies, and practices. *Id.* at 10845. Based on the comments received, the Trade Representative determined that a service fee on vessel operators of foreign-built vehicle carriers would be effective in obtaining the elimination of China’s acts, policies, and practices.

Considering the public comments and the advice of the Section 301 Committee, the U.S. Trade Representative has determined to change the basis and rate of the service fee on vessel operators of foreign-built vehicle carriers. The U.S. Trade Representative has determined to change the basis of the service fee from a Car Equivalent Unit standard to net tons. Regarding the fee rate, the Trade Representative has determined to set the service fee rate to \$46 per net ton as of October 14, 2025, and limiting the total collection of this service fee to five times per calendar year, per vessel. These modifications will address concerns regarding unfair manipulation of a Car Equivalent Unit and the establishment of a net ton rate that is too low, which would limit the effectiveness of the action, and will provide additional leverage to encourage China to eliminate the investigated acts, policies, and practices.

Targeted Coverage for Operators of Maritime Security Program Vessels and Operators of U.S. Government Vessels

USTR received comments both in support of and opposing providing targeted coverage exempting operators of Maritime Security Program vessels from the Annex III fee. Comments did not oppose targeted coverage as applied to operators of U.S. Government vessels. Some comments indicated that providing targeted coverage would reduce the effectiveness of the responsive action, provide a benefit to operators who have acquired Chinese-built vessels, and negatively impact the U.S. shipbuilding industrial base. One comment suggested that USTR should adopt an outright prohibition on the utilization of Chinese-built vessels by Maritime Security Program operators in order to qualify for targeted coverage under this annex. Other comments indicated that a lack of targeted coverage for operators of Maritime Security Program vessels would result in operational changes that would

reduce the overall size of the U.S.-flag commercial fleet and reduce the availability of such vessels to respond to national security needs.

Considering the public comments and the advice of the Section 301 Committee, the U.S. Trade Representative has determined that it is appropriate to provide targeted coverage to operators of Maritime Security Program vessels to maintain incentives for maximal use of the U.S. flag and to ensure availability of such vessels for national security purposes, as well as to operators of U.S. Government vessels. In consideration of the comments that the targeted coverage provision should not incentivize future use of Chinese and other non-U.S.-built vessels, this targeted coverage provision will expire, unless renewed, on April 18, 2029.

Proposed Modifications to Annex IV of the April 23 Notice

In the June 12 notice, the U.S. Trade Representative proposed to modify the action by eliminating paragraph (j) of Annex IV of the April 23 notice, which provided that USTR could direct the suspension of licensing for LNG shipments if the schedule of restrictions set forth in Annex IV was not met. USTR requested comments on the potential impact of this proposed modification.

Some comments supported the removal of paragraph (j) of Annex IV. Other comments argued for retaining this enforcement provision. Some comments suggested instead applying a service fee if the LNG maritime transport requirements are not met. One comment suggested a 60-day market testing period for the potential restrictions under paragraph (j).

Considering the public comments and the advice of the Section 301 Committee, the U.S. Trade Representative has determined to eliminate paragraph (j) of Annex IV, retroactive to April 17, 2025. This modification will avoid potential short-term disruptions to the LNG sector while promoting investments in U.S. shipbuilding capacity and production of LNG vessels. USTR views LNG exports as an important contribution to the U.S. economy and U.S. economic security. USTR observes that significant domestic demand for new LNG vessels coupled with increased investment in U.S. shipbuilding capacity will result in the successful construction of LNG vessels in the United States in the coming years, ensuring that U.S. energy exports can be transported on U.S.-built vessels. Some industry assessments estimate that more than 240 LNG carriers are needed to carry U.S. LNG exports beyond those

already on order, providing new opportunities to enhance American energy security.¹ USTR is closely monitoring the production and availability of U.S.-flagged, -operated, or -built vessels, and USTR will also continue to promote the competitiveness and resiliency of the U.S. LNG industry in a manner consistent with U.S. policy goals, including through additional measures designed to support the expansion of the U.S. shipbuilding sector.

Proposed Duties on STS Cranes and Other Cargo Handling Equipment in the April 23 Notice

Consistent with the President's direction in Executive Order 14269, USTR requested comments on "[a]dditional duties of up to 100 percent on STS cranes manufactured, assembled, or made using components of Chinese origin, or manufactured anywhere in the world by a company owned, controlled, or substantially influenced by a Chinese national, as described in Annex V [of the April 23 notice]," and [a]dditional duties of up to 100 percent on certain cargo handling equipment of China, as specified in Annex V [of the April 23 notice]." The action with respect to STS cranes was proposed to be imposed on a nondiscriminatory basis. See 90 FR 17114, 17121; 19 U.S.C. 2411(c)(3)(A).

STS Cranes

Several comments were generally supportive of additional tariffs on STS cranes. Some comments suggested adjustments, such as a 3-year delay in tariffs, allowing a modified duty drawback provision, or adding a "grandfather" provision for STS cranes that have already been contracted. Some comments recommended against imposing tariffs on STS cranes. Other comments suggested a number of adjustments to the proposed tariff on STS cranes, such as delaying implementation, differentiating the tariff between STS cranes with or without Chinese information technology equipment, or excluding the value of U.S.-origin content. One comment suggested expanding the scope of the proposed tariff to cover embedded sensors and software. Some comments raised concerns about the potential harm to the U.S. economy and global supply chains should STS cranes be subject to additional tariffs.

Considering the specific direction of President, the public comments, and the

advice of the Section 301 Committee, the U.S. Trade Representative has determined to impose additional duties of 100 percent on STS cranes as described in Annex V.A to this notice. Increasing Section 301 duties on STS cranes will reduce exposure to and dependence on Chinese sources, strengthen U.S. supply chain resilience and economic security, and provide additional leverage with China to eliminate the investigated acts, policies, and practices. In response to comments suggesting a delayed implementation, USTR notes that the report in this investigation assesses that there are national and economic security risks arising from dependence on China in the maritime, shipbuilding, and logistics sectors, including for STS cranes. In light of these concerns, the U.S. Trade Representative has determined it is not appropriate to defer higher tariffs on STS cranes, nor to differentiate Chinese information technology from unfairly priced steel superstructure or other STS crane components. In response to comments expressing concern regarding STS cranes ordered in advance of the proposed action, the U.S. Trade Representative has determined not to impose the additional duties of 100 percent on STS cranes that fulfill contracts executed prior to April 17, 2025, and that enter the United States prior to April 18, 2027.

Intermodal Shipping Containers

Some comments indicated that tariffs on intermodal shipping containers may negatively impact domestic carriers as containers are largely imported for consumption by domestic carriers for domestic intermodal shipping while containers used for international maritime transport are not imported. One comment asserted that Chinese entities sell containers below the cost of the steel used to produce containers. Other comments raised concerns that tariffs on intermodal shipping containers could reduce U.S. competitiveness as well as limit the use of such containers for military applications or disaster relief efforts.

Considering the specific direction of the President, the public comments, and the advice of the Section 301 Committee, the U.S. Trade Representative has determined not to impose additional duties on intermodal shipping containers at this time in light of the potential impact on domestic carriers for domestic intermodal shipping and considering that action may, at present, provide limited additional leverage with China to eliminate the investigated acts, policies, and practices.

Intermodal Chassis and Parts

One comment argued that the proposed tariffs will not have significant impact on building a U.S.-based supply chain and raised economic impact concerns. One comment argued that the imposition of tariffs would be superfluous as the imposition of anti-dumping and countervailing duties on chassis from China has had a major impact on the market share of these products in the United States. Despite these duties, one comment noted that imports of chassis from China continue to represent 17.8 percent of chassis imports. Some comments have raised concerns that Chinese entities are seeking to evade existing duties and advocated for extending tariff coverage to chassis and chassis components where the importer fails to attest that the intermodal chassis or parts were not manufactured by a company owned or controlled by a Chinese person.

Considering the specific direction of the President, public comments, and the advice of the Section 301 Committee, the U.S. Trade Representative has determined to impose duties of 100 percent on certain intermodal chassis and parts thereof. U.S. companies import a significant percentage of chassis from China despite additional duties imposed through other trade remedies, indicating a continued dependence on China. Increasing Section 301 duties on certain intermodal chassis and parts will reduce exposure to and dependence on Chinese sources, strengthen U.S. supply chain resilience and economic security, and provide additional leverage with China to eliminate the investigated acts, policies and practices.

C. Ministerial Clarifications

In order to clarify the operation of the actions in this investigation, the following ministerial clarifications are provided:

Clarifications Applicable to Annexes I, II, and III

For greater certainty, the term "string" as used in Annex I, II, or III means a "string of port calls".

For greater certainty, if a vessel is excepted from entry under 19 U.S.C. 1441, or otherwise exempt from entry, then it is not subject to the fees in Annexes I, II, or III.

For greater certainty and for purposes of application of the Section 301 service fees under this responsive action, a vessel that is only transiting the Panama Canal (including receiving bunkers or facilitating a crew change) is not subject to the requirements for entry from a

¹ See, e.g., BRS Group Annual Review 2025, available at <https://brshipbrokers.com/publications>.

foreign port and would be considered coastwise for entry and clearance requirements. Exchanging cargo or passengers for hire in the Panama Canal would subject the vessel to entry from a foreign port. Any arrival after a stop in an intermediate foreign port to load or unload cargo or passengers for hire would subject the vessel to entry from a foreign port.

Clarifications Applicable to Annex II

For greater certainty, the Annex II, Targeted Coverage, paragraph (ii) term “vessels arriving empty or in ballast” applies when the vessel does not have any cargo or passengers on board.

For greater certainty, the Annex II, Targeted Coverage, paragraph (iii) term applies in the following manner:

- Any vessel subject to Annex II that is principally identified as a fully cellular container vessel (such as a vessel properly identified under International Classification of Ships by Type (ICST) code 310) with a capacity of 4,000 Twenty-Foot Equivalent Units or less may be eligible for the targeted coverage provision of Annex II, Targeted Coverage, paragraph (iii).

- Any vessel subject to Annex II that is principally identified as a bulk carrier (such as vessels properly identified under ICST code 229) with an individual bulk capacity of 80,000 deadweight tons or less may be eligible for the targeted coverage provision of Annex II, Targeted Coverage, paragraph (iii).

- Any other vessel subject to Annex II with a capacity of 55,000 deadweight tons or less (as properly identified on the vessels’ register) may be eligible for the targeted coverage provision of Annex II, Targeted Coverage, paragraph (iii).

For greater certainty, the Annex II, Targeted Coverage, paragraph (iv) provision (referring to vessels entering a U.S. port in the continental United States from a voyage of less than 2,000 nautical miles from a foreign port or point) is assessed based on the distance actually traveled from furthest foreign port call. For illustrative purposes:

A 6,000 TEU fully-cellular Chinese-built container vessel subject to Annex II operates on a regular rotation making calls on the following route: Port of Singapore, SG; Lázaro Cárdenas, MX; Long Beach, CA, US; Oakland, CA, US; before returning to the Port of Singapore, SG. The vessel exchanges cargo at each of these calls. The voyage or rotation is assessed based on the farthest foreign port call: Port of Singapore, SG. This illustrative vessel would be subject to the Annex II fee upon arrival at a U.S. port or point from

outside the customs territory of the United States on a particular string, that is, upon arrival at Long Beach, CA, US. The Annex II, Targeted Coverage, paragraph (iv) provision does not apply in this hypothetical circumstance.

For greater certainty, the Annex II, Targeted Coverage, paragraph (iii) term “vessels with . . . an individual bulk capacity of 80,000 deadweight tons” may apply to both liquid bulk and dry bulk vessels, e.g., ICST Codes 210 (Other Bulk/Oil Carrier), 211 (Ore/Bulk/Oil), 212 (Oil/Ore), 213 (Bulk/Oil), 220 (Other Bulk Carrier), 221 (Ore Carrier), 222 (Bulk/Container Carrier), 229 (Other Bulk Carrier), and 323 (Irradiated Fuel Carrier).

For greater certainty, the Annex II, Targeted Coverage, paragraph (vi) term “specialized or special purpose-built vessels for the transport of chemical substances in bulk liquid forms” may apply in circumstances when the vessel is principally identified as ICST Code 120 (Chemical Tanker).

Clarifications Applicable to Annex III

Annex III, paragraph (d), defines a subject “Vehicle carrier” as “A vessel principally identified as a ‘Vehicle Carrier’ on CBP Form 1300, or its electronic equivalent. For information only, a vessel is normally principally identified as a vehicle carrier when the vessel is designed for wheeled or tracked cargo that can load itself on-board. Cargo generally drives onto the vessel through decks via ramps, rather than being lifted through hatches.” For greater certainty, a “Vehicle carrier” may include vessels under ICST codes 325 (Vehicle Carrier), 332 (Ro-Ro Passenger), 333 (Other Ro-Ro Cargo), or 338 (Ro-Ro Container).

E. Further Proposed Modifications

Section 307 of the Trade Act provides that “[t]he Trade Representative may modify or terminate any action, subject to the specific direction, if any, of the President with respect to such action, that is being taken under [Section 301] if . . . such action is being taken under section 301(b) of this title and is no longer appropriate.” Under Section 301(b), actions may no longer be appropriate if they may result in impairments to other key U.S. interests; may not adequately reduce dependencies on China in the maritime, logistics, and shipbuilding sectors; or may present administrability concerns. For Annex I, USTR proposes a new targeted coverage provision in order to allay concerns about the Annex’s impact on specialized vessels carrying ethane and other natural gas liquids. For Annex II, USTR proposes an adjustment to the

targeted coverage provision applicable to “Lakers” vessels. For Annex III, USTR proposes to add a targeted coverage provision addressing smaller vessels which support certain short-sea U.S. exports. In order to further implement the President’s direction in Executive Order 14269, and in order to make effective the additional duties imposed in the Notice, USTR proposes additional potential tariff lines of cargo handling equipment.

The U.S. Trade Representative has determined to propose that it is appropriate to modify the action in this investigation as follows:

- *Annex I:* Add a targeted coverage provision for certain ethane and liquefied petroleum gas (LPG) carriers;
- *Annex II:* Remove targeted coverage for certain maritime transport by Chinese-built “Lakers” vessels;
- *Annex III:* Add a targeted coverage provision for vessels of up to 10,000 DWT. The targeted coverage provision would expire, unless renewed, on April 18, 2029; and,
- *Annex V.B:* Add a new Annex V.B and impose additional tariffs of up to 150 percent on other cargo handling equipment, including: rubber tire gantry cranes, rail mounted gantry cranes, automatic staking cranes, reachstackers, straddle carriers, terminal tractors, top handlers (which may also be referred to as top loaders), and parts of these machines.

F. Request for Public Comments

In accordance with Section 307(a)(2)(b) of the Trade Act (19 U.S.C. 2414(b)), and consistent with specific direction of the President, USTR invites comments from interested persons with respect to the proposed modifications as described in Section E above and as provided in the appendix to this Notice.

USTR requests comments with respect to the following considerations in relation to proposed modifications:

- *For Annex I:* the potential implications of adding a targeted coverage provision for certain ethane and LPG carriers;
- *For Annex II:* the potential implications of removing targeted coverage for certain maritime transport by Chinese-built “Lakers” vessels;
- *For Annex III:* the potential implications of adding a targeted coverage provision for vessels of up to 10,000 DWT, the vessel tonnage for which targeted coverage should be provided, and duration for such coverage; and,
- *For Annex V.B:*
 - The specific products to be subject to increased duties, including whether the tariff subheadings and product

descriptions listed in Annex V, Item I, should be retained or removed, or whether tariff subheadings not currently on the list should be added;

- The level of the increase, if any, in the rates of duty;
- The time period in which increased duties should take effect, such as in 180 days or over a phase-in period of 6 to 24 months.

In commenting on the proposed modifications, USTR requests that commenters specifically address whether the action would be practicable or effective to obtain the elimination of China's acts, policies, and practices. USTR also requests any economic, quantitative, or other analysis that may further USTR's evaluation of the proposed modifications in this notice. Commenters may provide views regarding "effects of the modification . . . and whether any modification . . . of the action is appropriate." 19 U.S.C. 2417(a)(2).

To be assured of consideration, you must submit written comments on the proposed modifications by November 10, 2025.

G. Procedure for Written Submissions

You must submit written comments and rebuttal comments using docket number USTR-2025-0017 on the electronic portal at <https://comments.ustr.gov/s/>. To submit written comments, use the docket on the portal entitled "Request for Comments Concerning Further Proposed Modifications of Action in the Section 301 Investigation of China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance".

You do not need to establish an account to submit comments. The first screen of each docket allows you to enter identification and contact information. Third-party organizations such as law firms, trade associations, or customs brokers, should identify the full legal name of the organization they represent, and identify the primary point of contact for the submission. Information fields are optional;

however, your comment or request may not be considered if insufficient information is provided.

Fields with a gray Business Confidential Information (BCI) notation are for BCI information which will not be made publicly available. Fields with a green (Public) notation will be viewable by the public.

After entering the identification and contact information, you can complete the remainder of the comment, or any portion of it by clicking "Next." You may upload documents at the end of the form and indicate whether USTR should treat the documents as business confidential or public information.

Any page containing BCI must be clearly marked 'BUSINESS CONFIDENTIAL' on the top of that page and the submission should clearly indicate, via brackets, highlighting, or other means, the specific information that is BCI. If you request business confidential treatment, you must certify in writing that disclosure of the information would endanger trade secrets or profitability, and that the information would not customarily be released to the public.

Parties uploading attachments containing BCI also must submit a public version of their comments. If these procedures are not sufficient to protect BCI or otherwise protect business interests, please contact the USTR Section 301 support line at (202) 395-5725 to discuss whether alternative arrangements are possible.

USTR will post attachments uploaded to the docket for public inspection, except for properly designated BCI. You can view submissions on USTR's electronic portal at <https://comments.ustr.gov/s/> by entering docket number USTR-2025-0017 in the search field on the home page.

H. Deferred Service Fees Payment for Certain Subject Operators Under Annex I or Annex III

Vessels principally identified under ICST codes 130 (Other Liquefied Gas Carrier), 131 (LPG Carrier), 139 (Other

Liquefied Gas Carrier), 325 (Vehicle Carrier), 332 (Ro-Ro Passenger), 333 (Other Ro-Ro Cargo), and 338 (Ro-Ro Container) that may be subject to fee modifications proposed in this notice for either Annex I or Annex III of the April 23 notice may defer payment of Annex I or Annex III service fees from October 14, 2025, through December 10, 2025.

I. Ongoing Monitoring

The U.S. Trade Representative will continue to monitor the appropriateness of the actions being taken in the investigation, the effects of the such action, and the effectiveness of the actions in obtaining the elimination of the investigated acts, policies, and practices, including to end or reverse the investigated conduct. Any decision to further modify the actions in this investigation may be based on a range of considerations including vessel availability, economic impacts, international impacts, and economic security, among others.

In considering possible modifications, the U.S. Trade Representative will also consider the progress of policies under Executive Order 14269, "Restoring America's Maritime Dominance," as relevant to this investigation, including coordination with allies and partners regarding the actions taken in this investigation and efforts to reduce dependencies on adversaries through capital investments in U.S. shipbuilding and the establishment of a reliable funding source for programs under the Maritime Action Plan.

If modification to the action may be appropriate, the U.S. Trade Representative may consider the comments received in response to previously proposed responsive actions, as appropriate.

Jennifer Thornton,

General Counsel, Office of the United States Trade Representative.

BILLING CODE 3390-F4-P

Annex III of the April 23 notice is modified as follows:

“Collections, supplemental payments, and refunds –

(h) ***Time and place of liability.*** Subject to the coverage and special rules of this Annex, on or before the entry of a non-U.S. built ~~Vehicle Carrier vessel~~ at the first U.S. port or place from outside the customs territory on a particular string, the vessel operator must pay:

Effective as of April 17, 2025, a fee of \$0 per net ton on the entering non-U.S. built ~~Vehicle Carrier vessel~~.

Effective as of October 14, 2025, a fee in the amount of \$150 ~~per Car Equivalent Unit (CEU) capacity of~~ \$46 per net ton on the entering non-U.S. built ~~vessel~~ Vehicle Carrier.

The fee will be charged up to five times per calendar year, per vessel.”

* * *

[Editorial note: the following is inserted after paragraph (k) of Annex III of the April 23 notice]

“Targeted Coverage

The service fees imposed in this Annex do not apply to the following vessels subject to this Annex:

(i) U.S.-owned or U.S.-flagged vessels enrolled in the Maritime Security Program. This provision will expire, unless renewed, on April 18, 2029.

(ii) U.S. Government vessels. A government vessel means a vessel owned by the U.S. Government and operated directly by the Government or for the Government by an agent or contractor, including a privately owned U.S.-flag vessel under bareboat charter to the Government.”

Annex IV of the April 23 notice is modified as follows:

~~“(j) **Suspension of Export Licenses.** If the terms of paragraph (f) of this Annex are not met, then USTR may direct the suspension of LNG export licenses until the terms of paragraph (f) of this Annex are met.”~~

BILLING CODE 3390-F4-C

Annex IV of the April 23 notice, paragraph (k), is re-numbered paragraph (j).

Tariffs on STS Cranes and Other Cargo Handling Equipment

Note: The product descriptions that are contained in this section are provided for informational purposes only, and are not intended to delimit in any way the scope of

the action. In all cases, the formal language in Annex V.A governs the tariff treatment of products covered by the action. Any questions regarding the scope of particular HTS subheadings should be referred to U.S. Customs and Border Protection.

HTSUS subheading or statistical reporting No.	Product description	Rate (%)	Timing
9903.91.14 (8426.19.00)—duties assessed; 9903.91.15—duties not assessed; * 9903.91.16 (grandfathered).	STS cranes manufactured, assembled, or made using components of Chinese origin, or manufactured anywhere in the world by a company owned, controlled, or substantially influenced by a Chinese national;* * Except for such cranes provided for in subheading 8426.19.00, that are fulfilling in whole or in part an executed contract for sale dated prior to April 17, 2025, for goods that are entered for consumption, or withdrawn from warehouse for consumption, in the United States prior to April 17, 2027.‡	100	November 9, 2025.

HTSUS subheading or statistical reporting No.	Product description	Rate (%)	Timing
9903.91.12 (8716.39.0090)	<i>Intermodal Chassis</i> : Trailers and semi-trailers; other vehicles, not mechanically propelled; and parts thereof; other.†	100	November 9, 2025.
9903.91.12 (8716.90.30)	<i>Intermodal Chassis Parts</i> : Trailers and semi-trailers; other vehicles, not mechanically propelled; and parts thereof, castors, other than those of heading 8302.†	100	November 9, 2025.
9903.91.12 (8716.90.50)	<i>Intermodal Chassis Parts</i> : Trailers and semi-trailers; other vehicles, not mechanically propelled; and parts thereof, other parts.†	100	November 9, 2025.

† Scope includes chassis and subassemblies thereof for carriage of containers, or other payloads (including self-supporting payloads) for road, marine, and/or rail transport. Scope excludes dry van trailers, refrigerated van trailers, and flatbed trailers.

‡ We note that by claiming entry under the subheadings provided in Annex V.A., the importer of record attests that the imported cranes satisfy the criteria for that subheading.

* * * * *

Annex V.A: Tariffs on STS Cranes and Other Cargo Handling Equipment

To Modify Chapter 99 of the Harmonized Tariff Schedule of the United States

Effective with respect to goods of China entered for consumption, or withdrawn from

warehouse for consumption, on or after 12:01 a.m. eastern daylight time on November 9, 2025:

1. Subchapter III of chapter 99 of the HTSUS is modified by inserting the following new headings 9903.91.12 through 9903.91.16 in numerical sequence, with the material in the new headings and

subheadings inserted in the columns of the HTSUS labeled “Heading/Subheading”, “Article Description”, “Rates of Duty 1—General”, “Rates of Duty 1—Special” and “Rates of Duty 2”, respectively:

Heading/ subheading	Article description	Rates of duty		2
		1		
		General	Special	
“9903.91.12	Effective with respect to entries, on or after November 9, 2025, of intermodal chassis, subassemblies thereof, and parts thereof (provided for in statistical reporting number 8716.39.0090, or in subheadings 8716.90.30 or 8716.90.50), articles the product of China, as provided for in subdivision (k)(i) of U.S. note 31 to this subchapter, except as provided in heading 9903.91.13.	The duty provided in subheadings 8716.39.00, 8716.90.30 or 8716.90.50 + 100%.		
9903.91.13	Effective with respect to entries, on or after November 9, 2025, of articles the product of China, as provided for in subdivision (k)(ii) of U.S. note 31 to this subchapter (provided for in statistical reporting number 8716.39.0090, or subheadings 8716.90.30 or 8716.90.50), except as provided in heading 9903.91.12.	The duty provided in the applicable subheading.		
9903.91.14	Effective with respect to entries, on or after November 9, 2025, of ship-to-shore gantry cranes, configured as a high- or low-profile steel superstructure and designed to unload intermodal containers from vessels with coupling devices for containers, including spreaders or twist-locks (provided for in subheading 8426.19.00), as provided for in subdivision (l) of U.S. note 31 to this subchapter, except as provided in headings 9903.91.09, 9903.91.15 or 9903.91.16.	The duty provided in the applicable subheading + 100%.		
9903.91.15	Notwithstanding heading 9903.91.14, effective with respect to entries, on or after November 9, 2025, of ship-to-shore gantry cranes, configured as a high- or low-profile steel superstructure and designed to unload intermodal containers from vessels with coupling devices for containers, including spreaders or twist-locks (provided for in subheading 8426.19.00), attested by the importer that the ship-to-shore gantry cranes: (1) are not products of China; (2) are not manufactured, assembled, or made using components, assemblies or subassemblies that are products of China, as specified in subdivision (l)(ii) of note 31 to this subchapter; and (3) are not manufactured by a company or other entity that is owned or controlled by a Chinese person or legal entity, as specified by subdivision (l)(v) of note 31 to this subchapter.	The duty provided in the applicable subheading.		
9903.91.16	Notwithstanding heading 9903.91.14, effective with respect to entries, on or after November 9, 2025, of ship-to-shore gantry cranes, configured as a high- or low-profile steel superstructure and designed to unload intermodal containers from vessels with coupling devices for containers, including spreaders or twist-locks (provided for in subheading 8426.19.00), that: (1) are products of China; (2) that are manufactured, assembled or made using components, assemblies or subassemblies that are products of China; or (3) that are manufactured by a company or other entity that is owned or controlled by a Chinese person or legal entity, as specified by subdivision (l) of U.S. note 31 to this subchapter, that are attested by the importer as fulfilling in whole or in part an executed contract for sale dated prior to April 17, 2025 for goods that are entered for consumption, or withdrawn from warehouse for consumption, in the United States prior to April 18, 2027.	The duty provided in the applicable subheading”.		

2. Subdivision (a) of U.S. note 31 to subchapter III of chapter 99 of the HTSUS is modified by deleting “and 9903.91.11” wherever it appears and inserting “, 9903.91.11, 9903.91.12 and 9903.91.14” in lieu thereof.

3. U.S. note 31 to subchapter III of chapter 99 of the HTSUS is modified by inserting the following new subdivision (k) in alphabetical order:

“(k)(i) Heading 9903.91.12 applies to intermodal chassis, subassemblies thereof, and parts thereof, of China, provided for in statistical reporting number 8716.39.0090 or in subheadings 8716.90.30 or 8716.90.50. For purposes of heading 9903.91.12, intermodal chassis, subassemblies thereof, and parts thereof are described as follows:

“The articles consist of chassis and subassemblies thereof, whether finished or unfinished, whether assembled or

unassembled, whether coated or uncoated, regardless of the number of axles, for carriage of containers, or other payloads (including self-supporting payloads) for road, marine and/or rail transport. Chassis are typically, but are not limited to, rectangular framed trailers with a suspension and axle system, wheels and tires, brakes, a lighting and electrical system, a coupling for towing behind a truck tractor, and a locking system or systems to secure the shipping container

or containers to the chassis using twist-locks, slide pins or similar attachment devices to engage the corner fittings on the container or other payload.

“The articles include, but are not limited to, the following subassemblies:

a. Chassis frames, or sections of chassis frames, including kingpin assemblies, bolsters consisting of transverse beams with locking or support mechanisms, goosenecks, drop assemblies, extension mechanisms and/or rear impact guards;

b. Running gear assemblies or axle assemblies for connection to the chassis frame, whether fixed in nature or capable of sliding fore and aft or lifting up and lowering down, which may or may not include suspension(s) (mechanical or pneumatic), wheel end components, slack adjusters, axles, brake chambers, locking pins, and tires and wheels;

c. Landing gear assemblies, for connection to the chassis frame, capable of supporting the chassis when it is not engaged to a tractor; and

d. Assemblies that connect to the chassis frame or a section of the chassis frame, such as, but not limited to, pintle hooks or B-trains (which include a fifth wheel), which are capable of connecting a chassis to a converter dolly or another chassis. Importation of any of these subassemblies, whether assembled or unassembled, constitutes an unfinished chassis for purposes of this note.

“The articles also include chassis, whether finished or unfinished, entered with or for further assembly with components such as, but not limited to: Hub and drum assemblies, brake assemblies (either drum or disc), axles, brake chambers, suspensions and suspension components, wheel end components, landing gear legs, spoke or disc wheels, tires, brake control systems, electrical harnesses and lighting systems.”

“(ii) Heading 9903.91.13 applies to articles of China provided for in statistical reporting number 8716.39.0090, or subheadings 8716.90.30 or 8716.90.50, other than intermodal chassis, subassemblies thereof, and parts thereof, of China, provided for in statistical reporting number 8716.39.0090 or in subheadings 8716.90.30 or 8716.90.50, which are subject to the additional duties provided for in heading 9903.91.12.”

4. U.S. note 31 to subchapter III of chapter 99 of the HTSUS is modified by inserting the following new subdivision (l) in alphabetical order:

“(l)(i) Heading 9903.91.14 applies to ship-to-shore gantry cranes, configured as a high- or low-profile steel superstructure and designed to unload intermodal containers from vessels with coupling devices for containers, including spreaders or twist-locks, provided for in subheading 8426.19.00, that are: (1) products of China; (2) products of countries other than China that contain components, assemblies or subassemblies, of China, as specified in subdivision (l)(ii) of this note; or (3) products that are manufactured by a company or other entity that is owned or controlled by a Chinese person or legal entity.

“Heading 9903.91.14 shall not apply to entries under headings 9903.91.09 (as long as it is operative), 9903.91.15 or 9903.91.16.

Notwithstanding U.S. note 1 to this subchapter, products of China that are subject to the additional duties imposed by heading 9903.91.14 shall also be subject to the additional duties imposed by heading 9903.92.10.”

“(ii) A ship-to-shore gantry crane of a country other than China that contains one or more of the following components, assemblies or subassemblies that are products of China shall be considered to be a ship-to-shore gantry crane of China for purposes of heading 9903.91.14:

- a. the boom;
- b. the trolley;
- c. the spreader;
- d. the cabin;
- e. the legs;
- f. the cable reel;
- g. the power supply;
- h. the bogie set and wheels; and
- i. any information technology equipment used to operate or control the crane.”

“(iii) A ship-to-shore gantry crane that is manufactured by a company or other entity that is owned or controlled by a Chinese person or legal entity shall be considered to be a ship-to-shore gantry crane of China for purposes of heading 9903.91.14.”

“(iv) For purposes of heading 9903.91.15, by claiming this heading, the importer attests that the ship-to-shore gantry cranes: (1) are not products of China; (2) are not manufactured, assembled, or made using components, assemblies or subassemblies that are products of China, as defined in subdivision (l)(ii) of this note; and (3) are not manufactured by a company or other entity that is owned or controlled by a Chinese person or legal entity, as defined in subdivision (l)(v) of this note.

“(v) For purposes of headings 9903.91.14 and 9903.91.15:

a. A “company or other entity that is owned or controlled by a Chinese person or legal entity” means:

1. an entity or instrument of the People’s Republic of China, (including The Government of the People’s Republic of China);
2. a natural person who is a citizen of the People’s Republic of China;
3. a partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in the People’s Republic of China;
4. An entity organized under the laws of the United States or any other jurisdiction that is subject to the ownership, control, or direction of another entity that qualifies under subdivisions (v)(a)(1)–(3).
5. An entity is “subject to the ownership, control, or direction of” another entity if:

(A) 25 percent or more of the entity’s board seats, voting rights, or equity interest are cumulatively held by that other entity, whether directly or indirectly via one or more intermediate entities; or

(B) the entity has entered into a licensing arrangement or other contract with another entity (a contractor) that entitles that other entity to exercise effective control over the manufacturing or assembly (collectively, “production”) of a ship-to-shore gantry crane, its components, assemblies,

subassemblies, or other materials that would be attributed to the entity.”

“b. “The Government of the People’s Republic of China” means:

1. A national or subnational government of the People’s Republic of China;
2. An agency or instrumentality of a national or subnational government of the People’s Republic of China;
3. A dominant or ruling political party (e.g., Chinese Communist Party (CCP)) of the People’s Republic of China; or
4. A current or former senior foreign political figure of the People’s Republic of China.”

“c. “Senior foreign political figure” means:

1. a senior official, either in the executive, legislative, administrative, military, or judicial branches of the People’s Republic of China (whether elected or not);
2. a senior official of a dominant or ruling foreign political party (e.g., CCP); or
3. an immediate family member (spouse, parent, sibling, child, or a spouse’s parent and sibling) of any individual described in (v)(c)(1) or (v)(c)(2).

“In order to be considered “senior,” an official should be or have been in a position of substantial authority over policy, operations, or the use of government-owned resources.”

“d. For purposes of determining whether an entity indirectly holds board seats, voting rights, or equity interest in a tiered ownership structure:

“1. If a “parent” entity that qualifies under subdivisions (v)(a)(1)–(3) directly holds 50 percent or more of a “subsidiary” entity’s board seats, voting rights, or equity interest, then the parent and subsidiary are treated as equivalent in the evaluation of control, as if the subsidiary were an extension of the parent. As such, any holdings of the subsidiary are fully attributed to the parent.

2. If a “parent” entity that qualifies under subdivisions (v)(a)(1)–(3) directly holds less than 50 percent of a “subsidiary” entity’s board seats, voting rights, or equity interest, then indirect ownership is attributed proportionately.”

“e. For purposes of determining whether an entity has effective control, an entity that qualifies under subdivisions (v)(a)(1)–(3) that has a contractual relationship to determine the quantity or timing of production; to determine which entities may purchase or use the output of production; to restrict access to the site of production to the contractor’s own personnel; or the exclusive right to maintain, repair, or operate equipment that is critical to production, is deemed to have effective control over an entity.”

* * * * *

Proposed Modifications to Annex I

* * * * *

Targeted Coverage

The following targeted coverage provision applicable to Annex I is provided:

As of October 14, 2025, an LPG carrier (ICST Code 131) or Other Liquefied Gas Carrier (ICST 130) that is ordered before April 17, 2025, and is in service and entered into a long-term time charter agreement (that

is, 20 years or more) prior to December 31, 2027, will be considered owned and operated by the charterer in the time charter contract.

Proposed Modifications to Annex II

Targeted Coverage
* * * * *

The fees imposed in this Annex do not apply to the following Chinese-built vessels:
* * * * *

~~(vii) vessels principally identified as “Lakers Vessels” on CBP Form 1300, or its electronic equivalent.~~

(vii) Vessels calling at a U.S. Great Lakes port: targeted coverage provisions (ii), (iii), and (iv) do not apply unless the vessel is loading cargo destined for a port outside of the United States, Canada, or Mexico, or offloading cargo that was loaded at a port outside of the United States, Canada, or Mexico.

Proposed Modifications to Annex III

* * * * *

Targeted Coverage

The service fees imposed in this Annex do not apply to the following vessels subject to this Annex:

* * * * *

(iii) U.S.-flag vessels of up to 10,000 DWT. The targeted coverage provision will apply as of October 14, 2025, and expire, unless renewed, on April 18, 2029.

Annex V.B: Proposed Tariffs on Certain Additional Maritime Cargo Handling Equipment of China

The Trade Representative proposes to assess additional duties on the following products of China at the proposed levels indicated below:

Item	HTSUS	Proposed rate
<i>Rubber Tire Gantry Cranes:</i> These gantry cranes are tire-mounted cranes for high-volume container handling, and are often suitable for both port and intermodal operations.	HTSUS 8426.19.00	Up to 150%.
<i>Rail Mounted Gantry Cranes:</i> These gantry cranes are rail-mounted cranes used for high-volume container handling, and are suitable for both port and intermodal operations. These cranes move along rails fixed to the ground.	HTSUS 8426.19.00	Up to 150%.
<i>Automatic Stacking Crane (ASC):</i> These cranes are rail-mounted cranes for yard stacking and in-stack transportation of containers. ASCs deposit and lift containers from dedicated interchange areas located at both ends of the stack. These cranes move along rails fixed to the ground.	HTSUS 8426.19.00	Up to 150%.
<i>Reachstackers</i> (such as a contstacker, railstacker and transtacker) These are mobile self-propelled machines used to load and unload shipping containers in dockyards, and similar transportation terminals, as well as to stack the shipping containers one on top of the other.	HTSUS 8426.41.00, HTSUS 8426.49.00.	Up to 150%.
<i>Straddle carriers:</i> Straddle carriers, consist of a chassis of the “straddle” type, generally with vertical telescopic members for adjusting the height. This chassis is normally mounted on four or more wheels which usually serve both as driving and steering wheels. Often used in marine environments to lift containers.	HTSUS 8426.12.00	Up to 150%.
<i>Terminal Tractors and Parts thereof:</i> Terminal tractors typically fall under Heading 8709 unless they come equipped with lifting/handling equipment installed, including a fifth wheel, in which case the terminal tractor falls under 8701.95.50.	HTSUS 8709.11.00, HTSUS 8709.19.00, HTSUS 8709.90.00, HTSUS 8701.95.50.	Up to 150%.
<i>Top Handlers/Top Loaders:</i> Top handlers, also known as top loaders, are heavy-duty vehicles used in ports and terminals to move and stack loaded shipping containers. They lift containers from the top, making them ideal for loading and unloading trucks, trains, and stacking containers within terminals. Top handlers can lift containers weighing up to 100,000 pounds and stack them three or five high.	HTSUS 8427.20.80, HTSUS 8429.51.10, HTSUS 8429.51.50.	Up to 150%.
<i>Components</i> of these cranes, stackers, carriers, tractors, handlers, and loaders (not more specifically described in another heading).	HTSUS 8431.20.00, HTSUS 8431.41.00, HTSUS 8431.49.10.	Up to 150%.

USTR proposes to assess these additional duties in addition to duties assessed under

other authorities, including related to national security, national emergency,

Column 1 of the HTSUS, or anti-dumping or countervailing duties (AD/CVD).

[FR Doc. 2025-19568 Filed 10-15-25; 8:45 am]

BILLING CODE 3390-F4-P



FEDERAL REGISTER

Vol. 90

Thursday,

No. 198

October 16, 2025

Part II

The President

Proclamation 10981—General Pulaski Memorial Day, 2025
Proclamation 10982—250th Anniversary of the Founding of the United States Navy

Presidential Documents

Title 3—

Proclamation 10981 of October 10, 2025

The President

General Pulaski Memorial Day, 2025

By the President of the United States of America**A Proclamation**

In 1777, a young nobleman from Poland ventured across the Atlantic to join the fight for American independence. Known as the “Soldier of Liberty” and the “Father of the American Cavalry,” the legendary Brigadier General Casimir Pulaski offered his talents to a Nation in revolution, devoting his life to freedom. Today, we honor his legacy, we salute his courage, and we pledge to advance the great purpose he fought, bled, and died for 246 years ago.

General Pulaski’s resolve had been hardened long before he set foot on American soil. In his native Poland, he had fought for independence against the Russian Empire, learning firsthand that freedom demands sacrifice. When Benjamin Franklin urged him to aid the American Revolution, Pulaski did not hesitate. Writing to General George Washington, he declared: “I came here, where freedom is being defended, to serve it, and to live or die for it.”

True to his words, Pulaski began to equip and train the Patriots for battle, oftentimes at his own personal expense. During his first engagement at the Battle of Brandywine, he led a bold cavalry maneuver that saved the life of General Washington and countless soldiers in the Continental Army during one of its darkest hours. Without Pulaski’s incredible courage, the dream of American independence might have ended before it truly began.

Pulaski was later elevated to Brigadier General and forged a cavalry corps whose discipline, speed, and bravery played a key role in the fight for American independence. On October 9, 1779, more than 4 years into the Revolutionary War, Pulaski once again rode into the storm, leading his men against the might of the British Empire at the Siege of Savannah. He was struck down in the fire of battle and succumbed to his wounds—dying just as he had promised, in defense of the sacred cause of freedom.

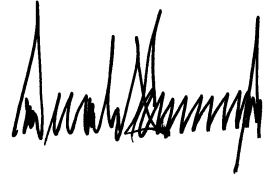
His sacrifice is one of the bonds that forever links Poland and the United States. Our two nations have stood together across centuries and continents: on the battlefields of Europe, in the skies of the Second World War, and in the long twilight struggle of the Cold War—always united in freedom, human dignity, the rule of law, sovereign borders, national independence, and the enduring belief that tyranny is no match for the full force of liberty. Today, millions of Polish-Americans continue to carry forward General Pulaski’s legacy of patriotism.

As our Nation prepares to celebrate 250 years of independence, we remember General Pulaski and all those who dared to stake their lives on the American promise. Their courage gave life to this Republic, and their sacrifice calls for our undying gratitude. The legacy of these Patriots reminds us still that freedom can never be taken for granted, and it is only earned, defended, and preserved by those bold enough to fight for it.

NOW, THEREFORE, I, DONALD J. TRUMP, President of the United States of America, by virtue of the authority vested in me by the Constitution and the laws of the United States, do hereby proclaim October 11, 2025,

as General Pulaski Memorial Day. I encourage all Americans to commemorate on this occasion those who have contributed to the furthering of our Nation.

IN WITNESS WHEREOF, I have hereunto set my hand this tenth day of October, in the year of our Lord two thousand twenty-five, and of the Independence of the United States of America the two hundred and fiftieth.

A handwritten signature in black ink, appearing to be "Donald Trump", located on the right side of the page.

Presidential Documents

Proclamation 10982 of October 10, 2025

250th Anniversary of the Founding of the United States Navy

By the President of the United States of America

A Proclamation

Two hundred and fifty years ago, the rising tide of revolution surged from land to sea when the Second Continental Congress established what would ultimately become the United States Navy—the mightiest, most lethal, and most legendary maritime fighting force ever conceived. Today, we honor the Navy’s epic role in safeguarding our sovereignty and projecting our power beyond our coasts. We salute the Navy’s indispensable role throughout every chapter of our national story. Above all, we pay tribute to the generations of gallant Sailors who have fearlessly lived by those timeless words: *Non sibi sed patriae*—Not for self, but for country.

Nearly 6 months after the American Revolution erupted into open fire at the Battles of Lexington and Concord, the path to independence remained long and uncertain. Following King George III’s rejection of the Olive Branch Petition—the American Colonies’ final attempt to avoid full descent into war—it became clear that the Army alone would not be sufficient. Indeed, to protect their freedom of trade, defend their homes against invasion, and seize British supplies at sea, the American Colonies had no choice but to extend their righteous crusade for independence beyond their shores.

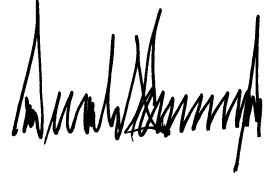
On October 13, 1775, in a radical and extraordinary act of self-determination, the Second Continental Congress passed a resolution to formally establish the Continental Navy.

Almost immediately, the Congress purchased ships and established a naval committee, which quickly took up its immortal place in history. In the 250 years since, our American story has been infused with seminal naval battles fought by legions of Sailors who safeguarded our liberty with unwavering grit. In every conflict—from our fight for independence, through two world wars, to battles in Korea, Vietnam, and the Persian Gulf—the Navy has secured our sovereignty at sea and heroically defended our birthright of freedom against every enemy, big or small.

In November 1781, just weeks after the Patriots’ triumph over British forces at Yorktown, General George Washington penned a letter to a French military officer, in which he stated: “It follows then as certain as that night succeeds the day, that without a decisive naval force we can do nothing definitive, and with it, everything honorable and glorious.” On this 250th anniversary of the United States Navy, we reaffirm those mighty words. We salute the extraordinary devotion of our active duty and Reserve Sailors and the families who bear the sacrificial life of service with unmatched resilience and grace—and we pledge to keep our Navy, our country, and our inheritance of freedom alive and flourishing for generations to come. We will never give up the ship.

NOW, THEREFORE, I, DONALD J. TRUMP, President of the United States of America, by virtue of the authority vested in me by the Constitution and the laws of the United States, do hereby proclaim October 13, 2025, as a day to commemorate the founding of the United States Navy with appropriate ceremonies and programs. I call upon all Americans to honor the Navy’s rich heritage, and the patriotism of all who have served.

IN WITNESS WHEREOF, I have hereunto set my hand this tenth day of October, in the year of our Lord two thousand twenty-five, and of the Independence of the United States of America the two hundred and fiftieth.

A handwritten signature in black ink, appearing to be a stylized name, possibly "Donald Trump", written in a cursive script.

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Thursday, October 16, 2025

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